2005-2006 FSA Handbook Volume 3 Table of Contents
Calculating Awards, Packaging, and Originating

Chapter 6: Packaging Aid 3-99

CHAPTER 1

Academic Calendar & Payment Periods

Award limits are generally connected to a period of time. For instance, all of the programs except Federal Work-Study have a maximum amount that can be awarded for an academic year or award year.

Measurement of time is important for another reason. In most cases, awards from the FSA programs must be paid in at least two installments. For most programs, the amount and timing of the payments is based on the academic terms or payment periods in the program.

ACADEMIC YEAR REQUIREMENTS

Every eligible program, including graduate programs, must have a defined academic year. A school may have different academic years for different programs. For example, a school may choose to define the academic year for a term-based program differently from a nonterm program. In some cases the definition *must* be different, such as in the case of a clock-hour program and a credit-hour program.

A school may treat two versions of the same academic program (day and night, for example) as separate programs and define different academic years for each version. If your school establishes separate versions of a program, with different academic years, but allows individual students to take courses from both versions, your school must be able to demonstrate which program the student is actually enrolled in. Generally, to be considered enrolled in a particular program or version of a program, a student must be taking at least 50% of his or her coursework in that program.

A school may have different academic years for different programs, but must use the same academic year definition for **all** FSA awards for students enrolled in a particular program, and for all other FSA program purposes.

Credit/clock hours in an academic year

The law and regulations set the following minimum standards for coursework earned by a full-time student in an academic year in an *undergraduate* educational program:

- 24 semester or trimester credit hours or 36 quarter credit hours for a program measured in credit hours; or

CHAPTER 1 HIGHLIGHTS:

Academic year minimums
- → 24 semester credits or 36 quarter credits; or 900 clock hours
- → 30 weeks of instructional time

Academic calendars
- → Term (Semester, quarter, or trimester)
- → "Nonstandard" term
- → Non-term

Types of Payment Periods
- → Credit hour; standard and nonstandard term-based programs
- → Credit hour non-term programs
- → Clock hour programs (always non-term)

Related topics
- → Completion requirements for non-term programs—see Volume 4, Chapter 1.
- → Timing of Stafford disbursements for non-term programs and programs with nonstandard terms of unequal length—see Volume 4, Chapter 1.
- → See Volume 5 for discussion of payment periods if student re-enters a program after withdrawing.

FSA Assessments

FSA has developed Assessment modules to assist you to 1) Anticipate and address problems, 2) Spot-check the systems for managing information, 3) Prepare for an audit or other review, and 4) Maximize the efficiency of your staff. There are several FSA Assessment modules that will aid you in understanding program requirements and your compliance with FSA Program provisions.
(continued next page)

The FSA Assessments that are relevant for this Volume can be found at:

FSA Assessment: General Awarding Procedures (All Programs) http://ifap.ed.gov/qamodule/AwardingAid/AsessmentD.html and

FSA Assessment: FFEL/Direct Loan Student File Review http://ifap.ed.gov/qadocs/AwardingAid/awardingaidactivity3.doc

Citations

Award Year: 34 CFR 600.2
Academic Year: 34 CFR 668.3
Payment Period: 34 CFR 668.4
Week of instructional time: 34 CFR 668.3(b)

Weeks of instructional time are used in the Pell and Stafford calculations (chapters 3 and 4 of this Volume).

Note that the Department has not set a regulatory standard for the number of hours of instructional time that make up one day of instruction. This has been left to the reasonable interpretation of schools and their accrediting agencies.

Reductions in academic year length

The law permits schools that provide two-year or four-year associate or baccalaureate degree programs to apply to the Department if they want to establish a full academic year of less than 30 weeks of instructional time. The Department is permitted to grant a reduction in the length of an academic year to no less than 26 weeks of instructional time. For further details on the information required for submission of such a request, see 34 CFR 668.3 (c).

- 900 clock hours for a program measured in clock hours.

There is no minimum hours component to the definition of an academic year for *graduate/professional* programs. The Department grants schools discretion to establish the number of credit hours a full-time graduate or professional student is expected to earn over an academic year.

Thirty-week minimum of instructional time

There is a minimum standard of 30 weeks of instructional time for an academic year. In cases where the program uses an academic year that meets the standard for credit hours or clock hours, but the program provides less than 30 weeks of actual instructional time, Pell Grant awards must be prorated and, in some cases, Stafford Loans use prorated annual loan limits, as discussed in Chapters 2, 3, and 4.

The number of *weeks of instructional time* are based on the period that begins on the first day of classes in the academic year and ends on the last day of classes or examinations. For all FSA programs, a *week of instructional time* is any period of 7 consecutive days in which at least one day of regularly scheduled instruction, examination, or (after the last day of classes) at least one scheduled day of study for examinations occurs. Instructional time does not include periods of orientation, counseling, homework, vacation, or other activity not related to class preparation or examination. Therefore, the weeks of instructional time may be less than the number of calendar weeks that elapse between the first day of classes and the last day of classes or examinations.

Counting weeks of instructional time

This graphic illustrates how you would count weeks of instructional time in a program where classes are held Monday through Friday, beginning on August 23rd and ending on November 18th, with examinations held November 30th - December 2nd. Note that the school holds no classes on Labor Day (September 5 on this calendar, Veterans Day and the day after (November 10-11), and Thanksgiving break (November 21-28).

August						
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	**23**	**24**	**25**	**26**	27
28	**29**	**30**	**31**			

September						
.	.	.	**.**	**1**	**2**	3
4	5	**6**	**7**	**8**	**9**	10
11	**12**	**13**	**14**	**15**	**16**	17
18	**19**	**20**	**21**	**22**	**23**	24
25	**26**	**27**	**28**	**29**	**30**	

October						
.	.	.	.	.	**.**	1
2	**3**	**4**	**5**	**6**	**7**	8
9	**10**	**11**	**12**	**13**	**14**	15
16	**17**	**18**	**19**	**20**	**21**	22
23	**24**	**25**	**26**	**27**	**28**	29
30	**31**					

November						
.	.	**1**	**2**	**3**	**4**	5
6	**7**	**8**	**9**	10	11	12
13	**14**	**15**	**16**	**17**	**18**	19
20	21	22	23	24	25	26
27	28	29	**30**			

December						
.	.	.	**.**	**1**	**2**	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

The circles indicate the points at which each of the 15 weeks of instructional time are completed.

ACADEMIC CALENDARS & TERMS

Institutions offer programs with many kinds of academic calendars that differ from the traditional Fall-Spring school year. For purposes of the FSA programs, there are 3 basic types of academic calendars: standard term, nonstandard term, and non-term.

Generally, a term is a period in which all classes are scheduled to begin and end within a set time frame. However, if these periods overlap within a program, they may not be treated as a term-based program for Title IV purposes. Term-based programs can have either standard terms or nonstandard terms.

Standard terms: semesters, trimesters, and quarters

Semesters and trimesters are terms that are generally 14 to 17 weeks long. An academic calendar that uses semesters traditionally has two terms, in the fall and spring, and a trimester academic calendar traditionally has three terms, in the fall, spring, and summer. Academic progress is measured in semester credit hours, and full time is at least 12 semester credits.

Similarly, quarter terms are approximately 10 to 12 weeks in length and the academic calendar includes three quarters in the fall, winter, spring, and often summer. Academic progress is measured in quarter credit hours, and full time is at least 12 quarter credits.

You may combine shorter terms or modules to meet the requirements of a standard term such as a semester. For example: a program is offered in 8 nonstandard terms, each 6 weeks in length, and students earn 6 quarter credits in each term. The school may choose to combine each consecutive pair of nonstandard terms and consider the program to be offered in 4 quarters.

In certain limited cases for academic programs offered basically in standard terms, a short nonstandard term may be treated as part of one of the standard terms, and the combined terms may be considered to be a single standard term. For example, a program is offered in a calendar consisting of two 15-week semesters and a 4-week intersession. To consider the program as consisting only of semesters, the intersession may be treated as part of one of the two semesters as long as the same treatment is applied for all Title IV purposes to all students enrolled in the program. In addition, hours taken in the intersession must count towards a student's enrollment status for the combined term and costs for the intersession must be appropriately included in the cost of attendance.

Credits and nonstandard terms

Nonstandard terms are terms (where all coursework is expected to begin and end within a set period of time) that are not semester, trimester, or quarter terms. In some cases, the terms may be of unequal length, though it is also possible for terms of equal length to be considered nonstandard. For instance, a school could offer a

Typical length of standard terms

For additional information on this topic, this issue was addressed in the preamble to the General Provisions regulations published on November 29, 1996 (Federal Register, Volume 61, No. 231, Page 60581).

Combining terms examples

See the example on the next page for guidance on combining concurrent and consecutive terms.

Credits and nonstandard terms

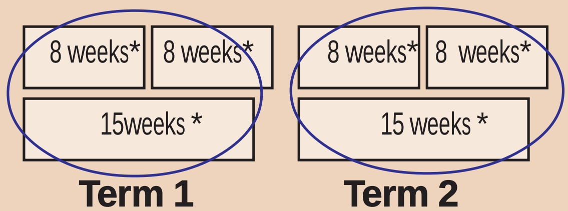
Remember, just because progress in a program is measured in semester or quarter credits, this does not necessarily mean that the program is offered in semester or quarterr terms.

program with six consecutive 5-week modules, with each module counting as a nonstandard term.

Unlike standard terms, the length of the term is not necessarily associated with the type of credit hours awarded. Some nonstandard terms are the length of a semester (15 -16 weeks) but award quarter credits. Others are the length of a quarter (10 - 12 weeks) but award semester credits.

Combining concurrent terms

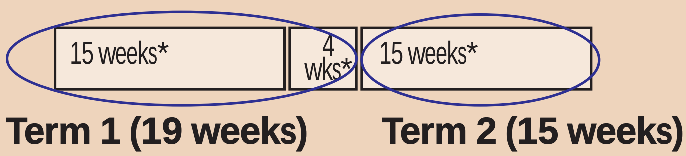
Clark University offers a program in both 15-week terms and 8-week terms. Clark University combined two 8-week terms with a 15-week term to make each semester; each semester provides 16 weeks of instructional time*.



Combining consecutive terms

Lewis College offers a separate degree program in education with a short 4-week* term between two 15-week* semesters. The terms don't overlap.

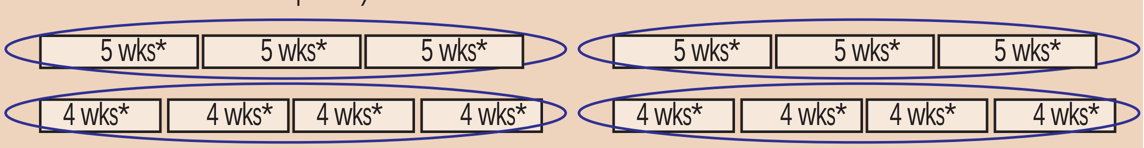
Lewis College has defined the academic year for this program as 24 semester hours and 34 weeks of instructional time. Lewis College could combine the short term with one of the standard terms and for purposes of FSA programs treat the program as being offered in two semesters:



Lewis College can also choose not to combine the terms. In this case, the program would have a 4-week term and two semesters. For certain Title IV program requirements, this may mean you will treat all terms in a nonstandard manner.

Treatment of modules

A school may choose to group modules together and treat the entire period as a term. (For example, grouping three five-week* modules together may create a 15-week* *semester*; or grouping four one-month modules into a 16-week *semester* would be acceptable.)



On the other hand, programs that are offered in modules may sometimes be counted as programs measured in non-standard terms. For example, in a program that offers six 5-week modules, each module could be treated as a non-standard term. In addition, a school may choose to consider a program that consists of consecutive modules as a non-term program. Whatever academic calendar a school adopts for a program, it must apply to all students enrolled in that program.

*Weeks in these examples are *weeks of instructional time*, as defined earlier in this chapter.

Non-term characteristics

If a program measures progress in clock hours, it is always treated as a non-term program. A program that measures progress in credit hours is considered to be using a non-term calendar if it has:

- courses that do not begin and end within a set period of time,
- courses that overlap terms,
- self-paced and independent study courses that overlap terms, or
- sequential courses that do not begin and end within a term.

DEFINITION OF A PAYMENT PERIOD

The definition of a payment period is applicable to all FSA programs except FWS. The common definition is integral to requirements for the administration of FSA program funds. For example, FSA program disbursements (except FWS payments) generally must be made on a payment period basis (for more information, see **Volume 4 – Processing Aid and Managing FSA Funds**). **Note that FFEL and Direct Loan disbursements must still be made in accordance with the specific disbursement rules for those programs (see sidebar).**

Under the payment period definition, there are three sets of requirements: one for term-based credit hour programs, one for nonterm credit hour programs, and one for clock hour programs. There is no separate definition for clock hour programs that are offered in terms.

Payment period for term-based credit hour programs

For a program offered in semester, trimester, quarter, or nonstandard academic terms and measured in credit hours, the payment period is the term. For example, if a program is offered in three quarters, each quarter is a payment period. For Pell there would be three payment periods which correspond to the quarters.

TERM-BASED CREDIT HOUR PROGRAMS

Program offered in...	Payment Period is...
• semester terms	• semester
• trimester terms	• trimester
• quarter terms	• quarter
• nonstandard terms	• other academic term

Payment period cites

Definition of payment periods: 34 CFR 668.4

→ Disburse FSA funds by payment periods 34 CFR 668.164(b)

→ Pell disbursements by payment period: 34 CFR 690.63

→ Perkins disbursements by payment period: 34 CFR 674.16(b)

→ FSEOG disbursements by payment period: 34 CFR 676.16(a)

→ Disbursing Stafford/PLUS funds by payment period or completion of coursework and calendar midpoint:
FFEL: 34 CFR 682.604(c)(6),(7), and (8)
DL: 34 CFR 685.301(b)

Payment period for clock-hour programs of an academic year or less

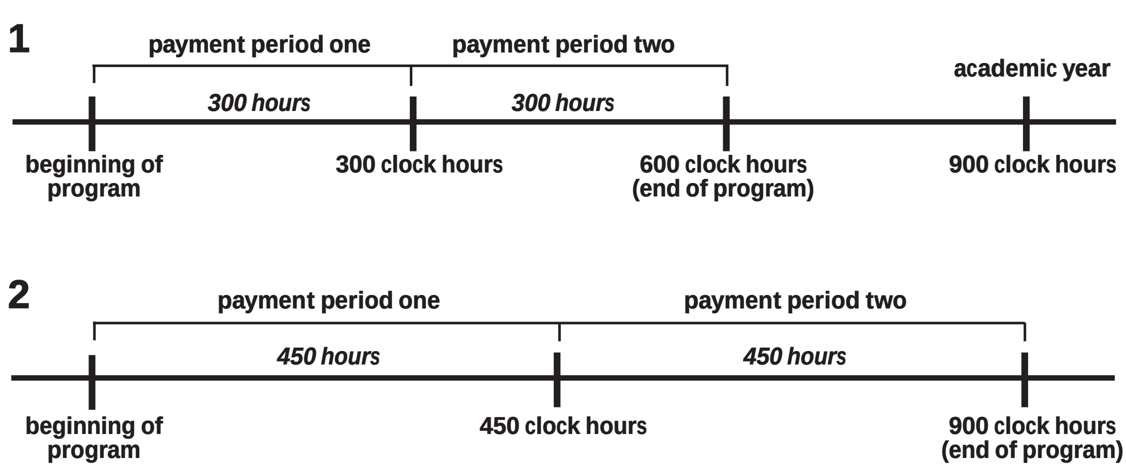
If the program is an academic year or less in length, the first payment period is the period of time in which the student successfully completes the first half of the program, as measured in clock hours. The second payment period is the period of time in which the student successfully completes the second half of the program, as measured in clock hours.

Payment Period for Clock Hour Programs of One Academic Year or Less

First payment period	*Second payment period*
● period in which a student successfully completes first half of the program, as measured in clock hours	● period in which a student successfully completes remainder of the program, as measured in clock hours

For example, if a program is 600 clock hours and the academic year is defined as 900 clock hours, the first payment period is the period of time needed for the student to successfully complete the first 300 clock hours. The second payment period would be the period of time needed for the student to successfully complete the last 300 clock hours (see the example that follows). If the program were equal to the academic year (900 clock hours), the first payment period would be the period of time needed for the student to successfully complete the first 450 clock hours. The second payment period would be the period of time needed for the student to successfully complete the second 450 clock hours (see example 2 below).

One Academic Year or Less Example

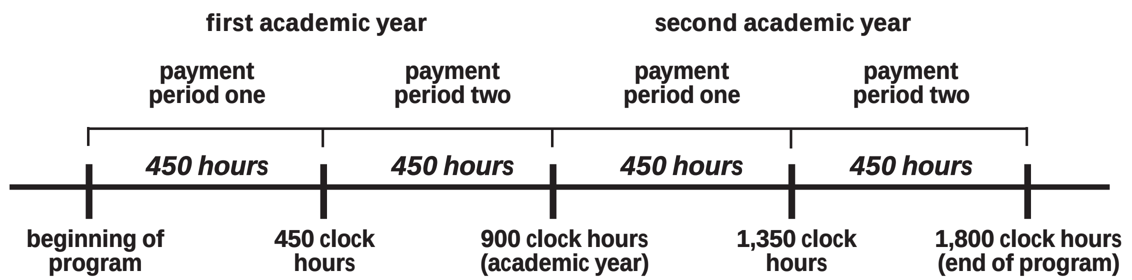


Payment period for clock-hour programs with two or more academic years

If the program is equal to two or more complete academic years, for the first academic year and any subsequent full academic year, the first payment period is the period of time in which the student succcessfully completes the first half of the academic year, as measured in clock hours. The second payment period is the period of time in which the student successfully completes the second half of the academic year as measured in clock hours.

For example, if a program is 1,800 clock hours and the academic year is defined as 900 clock hours, the first payment period for both the first and any subsequent academic year is the period of time needed for the student to successfully complete the first 450 clock hours. The second payment period would be the period of time needed for the student to successfully complete the next 450 clock hours.

Multiple Academic Years Example

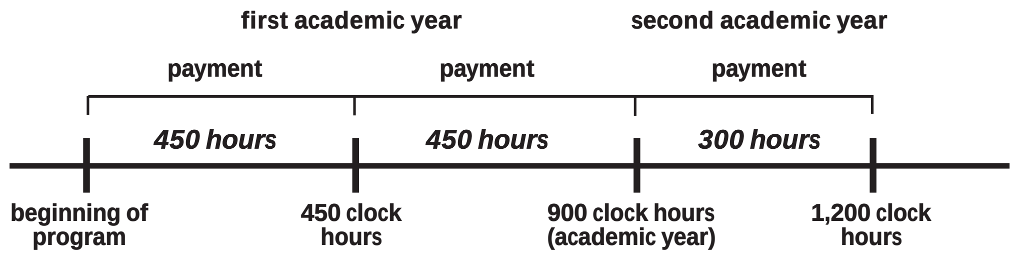


Payment period for Clock-hour programs longer than an academic year with a remaining portion

If the program is longer than an academic year, but has a remaining portion of the program that is not equal to an academic year, for the first academic year, the first payment period is the period of time in which the student successfully completes the first half of the academic year. The second payment period is the period of time in which the student successfully completes the second half of the academic year. For the remaining portion of the program, if the remainder is equal to or shorter than one half of an academic year, the payment period is the remaining portion of the program.

For example, if a program is 1,200 clock hours and the academic year is defined as 900 clock hours, the first payment period for the first academic year is the period of time needed for the student to successfully complete the first 450 clock hours. The second payment period is the period of time needed for the student to successfully complete the next 450 clock hours. The first, and only, payment period for the second academic year is equal to the remaining portion of the program (300 clock hours).

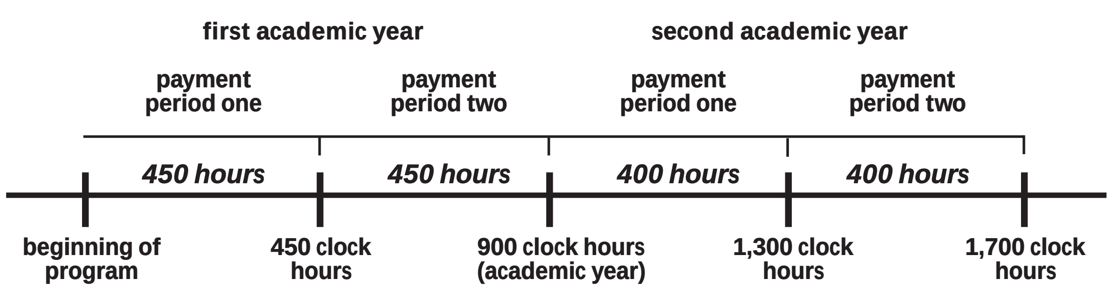
Remainder Equal To or Shorter Than Half an Academic Year Example



If the remaining portion of the program is more than one half of an academic year but less than a full academic year, for the remaining portion of the program the first payment period is the period of time in which the student successfully completes the first half of the remaining portion of the program, as measured in clock hours. The second payment period is the period of time in which the student successfully completes the second half of the remaining portion of the program as measured in clock hours.

For example, if a program is 1,700 clock hours and the academic year is defined as 900 clock hours, the first payment period for the first academic year is the period of time needed for the student to successfully complete the first 450 clock hours. The second payment period would be the period of time needed for the student to successfully --complete the next 450 clock hours. The first payment period for the second academic year would be the period of time needed for the student to successfully complete the next 400 clock hours. The second payment period for the second academic year would be the period of time needed for the student to successfully complete the final 400 clock hours.

Remainder Greater Than Half an Academic Year Example



Payment Period for Clock Hour Programs Longer Than One Academic Year

Program Length (in clock hours)	First and subsequent full academic years		Remainder of program	
	First payment period	Second payment period	First payment period	Second payment period
multiples of a full academic year	period of time in which student completes first half of academic year	period of time in which student completes second half of academic year	N/A	N/A
longer than 1 academic year, remainder shorter than or equal to one half an academic year	period of time in which student completes first half of academic year	period of time in which student completes second half of academic year	period of time in which student completes remainder of program	N/A
longer than 1 academic year, remainder shorter than academic year, but longer than half an academic year	period of time in which student completes first half of academic year	period of time in which student completes second half of academic year	period of time in which student completes first half of remainder of the program	period of time in which student completes second half of remainder of the program

Payment periods for programs that measure progress in credit hours and do not have academic terms (nonterm credit hour programs)

Payment periods for programs measured in credit hours without terms vary depending on whether the length of the program in credit hours and weeks of instructional time is

- one academic year or less,
- a multiple of a full academic year,
- longer than an academic year with a remainder shorter than or equal to one half of an academic year, or
- longer than an academic year with a remainder shorter than an academic year, but longer than one half of an academic year.

If you are determining the payment periods for a program for which one of the measures (either credit hours or length of instructional time) is less than an academic year and the other measurement is not, you follow the payment period rules for a program that is less than an academic year.

For all credit hour nonterm programs, a student must successfully complete both the weeks of instructional time and the credits in a payment period in order to progress to the next period (and be eligible for additional Title IV funds).

If your school is unable to determine when a student has successfully completed half of the credit hours in a program in an academic year, or in the remainder of a program, the student is considered to have begun the second payment period of the program, academic year, or remainder of a program at the later of:

- The date the institution identifies as the point when the student has successfully completed half of the academic coursework in the program, academic year, or the remainder of the program, or
- The calendar midpoint between the first and last scheduled days of class of the program, academic year, or the remainder of the program.

Payment period for programs measured in credit hours without academic terms where the program is one academic year or less

Note: For a program to be considered an academic year, both the credit hours and weeks of instructional time must meet the definition of an academic year.

For a student enrolled in an eligible program that is one academic year or less in length, the first payment period is the period of time in which the student successfully completes half the number of credit hours in the program and half the number of weeks of instructional time in the program. The second payment period is the period of time in which the student successfully completes the remainder of the program in both credit hours and weeks of instructional time.

Payment periods for credit hour programs without academic terms that are two or more academic years

If the program is equal to two or more complete academic years, for the first academic year and any subsequent full academic year, the first payment period is the period of time in which the student successfully completes half the number of credit hours in the academic year and half the number of weeks of instructional time in the academic year. The second payment period is the period of time in which the student successfully completes the academic year in both credit hours and weeks of instructional time.

Payment periods for credit hour programs without academic terms that are longer than an academic year with a remaining portion

If the program is longer than an academic year, but has a remaining portion that is not equal to an academic year, for the first academic year, the first payment period is the period of time in which the student successfully completes half the number of credit hours in the academic year and half the number of weeks of instructional time in the academic year. The second payment period is the period of time in which the student successfully completes the remainder of the academic year in both credit hours and weeks of instructional time.

For any remaining portion of an eligible program that is more than one-half an academic year in both weeks of instruction and credit hours but less than a full academic year in length, the first payment period is the period of time in which the student successfully completes half the number of credit hours in the remaining portion of the program and half the number of weeks of instructional time remaining in the program. The second payment period is the period of time in which the student successfully completes the remainder of the program in both credit hours and weeks of instructional time.

For any remaining portion of an eligible program that is not more than half an academic year in both weeks of instruction and credit hours, the payment period is the remainder of the program. That is, if both are not greater than half an academic year, there is only one payment period in the remaining portion.

Academic coursework and loan periods

The term academic coursework does not necessarily refer to credits. It may refer to the lessons or other measures of learning within a course or a program. For instance, if a course or program is made up of 40 equal lessons, the student reaches the halfway point as follows:

- If the student completes the first 20 lessons before the calendar midpoint of the academic year, the second payment period does not begin until the calendar midpoint.
- If the student completes the first half of the academic year before completing the first 20 lessons, the second payment period does not begin until the student completes the first 20 lessons.

Clock hour and non-term credit-hour programs where the school chooses to have more than two payment periods per academic year

For a program measured in credit hours without terms and for clock hour programs, an institution may choose to have more than two payment periods in the program or academic year, as applicable. If an institution so chooses, the requirements for completing a payment period are modified to reflect the increased number of periods. For example, if an institution chooses to have three payment periods in an academic year in a program that measures progress in credit hours but does not have academic terms, each payment period must correspond to one-third of the academic year measured in both credit hours and weeks of instruction. Each subsequent payment period cannot begin until the student completes the credit hours and weeks of instruction in the previous payment period. If a school chooses to have more than two payment periods per academic year, the school must have that policy in writing and must apply the policy to all students enrolled in the programs affected.

Schools should note that making multiple disbursements within a payment period does not create a new or additional payment period. While the program regulations permit schools flexibility in making disbursements, schools should recognize the added complexity that making Pell disbursements over different periods than loan disbursements might cause if a student withdraws. To avoid overly complicating their Return of Title IV funds calculations, we recommend that, whenever possible, schools disburse all Title IV funds in the same payment periods.

Payment periods and eligibility for FFEL or Direct loans

For certain academic programs, FFEL and Direct Loans are disbursed differently than other FSA funds.

For programs offered in standard terms, or nonstandard terms of substantially equal length (i.e., all the terms in an academic year are within two calendar weeks of each other in length), the payment period for FFEL and Direct Loans is the term. A student in this type of program does not have to successfully complete the coursework to move to the next payment period. If a single term is the loan period, a student may not receive a second disbursement until the calendar midpoint of the term (loan period) is reached.

However, if the program is a clock-hour, nonterm credit-hour, or nonstandard term credit-hour program with terms that are not substantially equal in length, loan proceeds for FFEL and Direct Loans are not disbursed by payment period. Instead, the loan program rules for scheduling disbursements apply. For a student to be eligible for the second half of his or her loan proceeds, the student must reach **BOTH** the calendar midpoint of the loan period **AND** successfully complete half the coursework of the loan period.

Consider a program with no terms that is 24 credit hours long and offered in successive 4-hour modules with two 12-hour payment periods. The student can not receive the second half of the loan proceeds until the student successfully completes 12 hours and reaches the calendar midpoint of the loan period. A student who fails the first module cannot receive the second disbursement of the loan until s/he has successfully completed 3 additional modules (a total of 12 hours) **and** reached the calendar midpoint of the loan period.

"Substantially Equal"
34 CFR 682.604(c)(7)(ii)

Completing a non-term period

In non-term programs, a student must successfully complete a payment period before he or she may receive a disbursement for the next payment period.

→ A student in a non-term program using clock hours must successfully complete the coursework in a payment period before receiving funds for the next payment period.

→ A student in a non-term program using credit hours must successfully complete the coursework and the weeks in a payment period before receiving Pell or Campus-Based funds for the next payment period.

"Successfully completes" means passing the credit hours or, if grades are assigned, the clock hours.

Payment periods for students who withdraw and then transfer or reenter a credit-hour nonterm program or a program that measures progress in clock hours

Reentry within 180 days

A student who reenters within 180 days is treated as if s/he did not cease attendance for purposes of determining the student's aid awards for the period.

For credit-hour nonterm-based programs or programs that measure progress in clock hours, a student who withdraws and then reenters the same program at the same school within 180 days is considered to be in the same payment period s/he was in at the time of the withdrawal. The student retains his or her original eligibility for that payment period, and is treated as though s/he did not cease attendance.

Re-entry within 180 days cite
34 CFR 668.4(e)

Reentry after 180 days, transfer into a new program at the same institution, or transfer to a new institution

If a student who previously attended and then withdrew from a credit-hour nonterm program or a clock-hour program without completing the period –

- reenters the same program at the same institution more than 180 days after withdrawal, receiving credit for hours previously earned; or
- transfers into another credit-hour nonterm or clock-hour program at any time (either at the same institution or at a new institution) and the institution accepts all or some of the hours earned in the prior program; then

the student starts a new payment period when s/he reenters or transfers.

Re-entry after180 days cite
34 CFR 668.4(f)

In calculating awards for a student who reenters after the same program after180 days, reenters a new program, or transfers to a new institution, the institution treats the hours remaining in the program as if they are the student's entire program. The number of payment periods and length of each payment period are determined by applying the rules in the appropriate part of the definition of a payment period to the hours remaining in the program upon transfer or reentry.

PAYMENT PERIODS AND CREDIT-HOUR/CLOCK-HOUR CONVERSION FORMULA

If your program is subject to the credit-hour/clock-hour conversion formula, the clock hours in the payment period must support the number of credit hours in the payment period under the conversion formula. For a detailed discussion of the credit-hour/clock-hour conversion formula, see Vol 2, Ch4.

CLOCK HOUR/CREDIT HOUR PROGRAM CONVERSION EXAMPLE

Sternberg University (SU) offers a two-year nondegree program measured in semester credit hours. Courses within the program are not creditable toward a degree at SU. Students in the program earn 16 credit hours per semester.

By applying the conversion formula, the school determines that the number of credit hours for FSA purposes is 11 for the first two semesters, and 13 for the last two semesters.

Step 1

SU determines that there are 1,440 clock hours of instruction in the program. There are 330 clock hours of instruction in the first and second semesters (660 first-year total), and 390 clock hours of instruction in the third and fourth semesters (780 second-year total).

Total number of clock hours of instruction in the program

(2 X 330) + (2 X 390) = 1,440

Step 2

$$\frac{330 \text{ clock hours}}{30} = 11 \text{ credit hours in semesters one and two}$$

$$\frac{390 \text{ clock hours}}{30} = 13 \text{ credit hours in semesters three and four}$$

Step 3

For the first two semesters of the program, students are eligible for payment for only 11 credit hours of instruction (see Step 2). Because this is less than the full-time student minimum of 12 credit hours, students who attend the first two semesters are eligible to be paid for only three-quarter time attendance.
In the third and fourth semesters of the program, students are eligible to be paid for 13 credit hours of instruction (see Step 2). Students attending the third and fourth semesters can be paid as full-time students.

To see how this school determines the eligibility of the program, see Volume 2 – School Eligibility and Operations

CHAPTER 2

Cost of Attendance (Budget)

Awards for each of the FSA programs are based on some form of financial need, beginning with cost of attendance. This chapter picks up at the point where you have established the student's EFC (see the Application and Verification Guide) and the student's basic eligibility (see Volume 1).

Most schools establish average costs for different categories of students and set these cost categories in EDExpress or other software that they use to calculate awards and package aid. The typical costs that you establish for your students will be used to calculate their Pell, Stafford, and Campus-Based awards (Chapters 3,4, and 5) and package their aid (Chapter 6).

Unlike scholarship programs that may award funds based on academic merit or the student's field of study, "need-based" grants, loans, and work-study are based on the family's need for assistance.

The cost of attendance is the cornerstone of establishing a student's financial need, as it sets a limit on the total aid that a student may receive for purposes of the Campus-Based Programs and Stafford / PLUS loans, and is one of the basic components of the Pell Grant calculation.

ALLOWABLE COSTS

The cost of attendance for a student is an estimate of that student's educational expenses for the period of enrollment. As we'll see, you can use average expenses for students at your school, rather than actual expenses. For example, for the tuition and fees component, you can use the same average amount for all full-time students, instead of figuring the actual tuition and fees for each individual student. You can have different standard costs for different categories of students, such as a cost of attendance for in-state students (who have lower tuition) and a higher cost of attendance for out-of-state students. If a student is enrolled in a program that has extra fees or costs, such as lab fees, you can add those fees to the student's cost or use a standard cost that you've established for all students in that program. If you establish standard cost categories, you must apply the cost allowances uniformly to all students in those categories.

CHAPTER 2 HIGHLIGHTS

Allowable Costs

Determined by school, taking into account:
- Tuition and fees
- Books, supplies, transportation, personal, misc.
- Room and board
- Dependent care
- Study abroad expenses
- Disability expenses
- Employment expenses for coop study
- Loan fees

Exceptions
- Less than half-time enrollment
- Correspondence study
- Incarcerated students
- Professional judgment

Costs met from other sources
- Tuition and fees not paid by student
- Free room and board

Costs for period of enrollment
- Campus-Based and Stafford/PLUS are based on costs for the period of enrollment; for instance, costs for a student attending a single semester in the school year would be limited to the costs for that time period.
- Pell is always based on the cost of full-time attendance for a full academic year.

There are different ways to arrive at average costs for your students, such as periodic surveys of your student population and local housing costs.

Allowable costs in general

The types of costs that may be included are the same for all FSA programs. The cost of attendance for the Campus-based and Stafford / PLUS programs is a student's cost for the period in which the aid is intended. The cost of attendance used for Pell Grants is always the full-year costs for a full-time student, so you may have to prorate actual or average costs up for students who are attending less than an academic year (or who are part-time in a term program or prorate down for students who are attending for periods longer than an academic year). We'll discuss this at the end of this chapter.

A student's cost of attendance generally is the sum of the following:

- **The tuition and fees normally assessed for a student carrying the same academic workload**. This includes costs of rental or purchase of equipment (including equipment for instruction by telecommunications), materials, or supplies required of all students in the same course of study.

- **An allowance for books, supplies, transportation, and miscellaneous personal expenses.** This can include a reasonable amount, as determined by your school, for the documented rental or purchase of a personal computer that the student will use for study for the enrollment period. For example, a computer purchased in the summer for use in the fall term may be included.

- **An allowance for room and board.** For students without dependents living at home with their parents, this will be an allowance that you determine. For students living on campus, the allowance is the standard amount normally assessed most residents. For those living off campus but not with their parents, the allowance must be based on reasonable expenses for the student's room and board.

- **For a student with dependents, an allowance for costs expected to be incurred for dependent care**. This covers care during periods that include, but that are not limited to, class time, study time, field work, internships, and commuting time for the student. The amount of the allowance should be based on the number and age of such dependents and should not exceed reasonable cost in the community for the kind of care provided.

- **For study-abroad programs approved for credit by the student's home institution, reasonable costs associated with such study.**

Cost of attendance components

The cost of attendance is determined by law (Higher Education Act, Sec. 472) and is not subject to regulation by the Department.

The law specifies the types of costs that are included in the cost of attendance, but you must determine the appropriate amount to include for each category for students at your school.

Disabled student

A student is considered disabled if he or she has a physical or mental impairment that substantially limits a major life activity, such as if the student is deaf, mentally disabled, hard of hearing, has a speech or language impairment, is visually disabled, seriously emotionally disturbed, orthopedically impaired, autistic, has a traumatic brain injury, is otherwise health-impaired, or has specific learning disabilities that require special education and related services.

- **For a disabled student, an allowance for expenses related to the student's disability**. These expenses include special services, personal assistance, transportation, equipment, and supplies that are reasonably incurred and not provided by other agencies.

- **For students engaged in a work experience through a cooperative education program, an allowance for reasonable costs associated with such employment.**

- **For students receiving loans, the fees required to receive them (for example, the loan fee for a Direct Loan or the origination fee and insurance premium for a FFEL).** You may also include the fees required for nonfederal student loans (that is, nonfederal loans that must be considered resources for the student when packaging aid). In all cases, you can either use the exact loan fees charged to the student or an average of fees charged to borrowers of the same type of loan at your school. To be included in the COA, any loan fees for private loans must be charged to the borrower during the period of enrollment for which the loan is intended.

Exceptions to the normal cost allowances

The following are the exceptions to the normal cost of attendance allowances discussed above:

- For students who are enrolled **less than half time,** only the costs for tuition and fees and allowances for books and supplies, transportation (but not miscellaneous expenses), and dependent care expenses may be included as part of the cost of attendance.

- Generally, the cost of attendance for **correspondence study** is restricted to tuition and fees, which often include books and supplies. If the costs of books and supplies are separate, then they may also be counted in the cost of attendance. If the student is fulfilling a required period of residential training, the cost of attendance can also include required books and supplies, an allowance for travel, and room-and-board costs specifically incurred for the period of residential training (as mentioned in Chapter 1 of *Volume 1: Student Eligibility*, a student isn't eligible to receive FSA aid for correspondence courses unless the student is enrolled in an associate-, bachelor's-, or graduate-degree program).

- The cost of attendance for **incarcerated students** is limited to tuition and fees and required books and supplies. Remember that an incarcerated student is ineligible for FSA loans, and if he is in a federal or state penal institution, he is ineligible for Pell grants (see Chapter 1) as well.

Documentation of exceptional expenses

The law doesn't specify what documentation you must collect for expenses such as dependent care or disability-related expenses. You can document these expenses in any reasonable way, such as documenting an interview with the student or obtaining a written statement from the student or other appropriate sources.

Less than Half Time COA Components

For students who are less than half time, COA can include only:

- tuition and fees,
- an allowance for books and supplies,
- transportation (but not miscellaneous & personal expenses), and
- an allowance for dependent care expenses.

Free room and board example

Guerrero University saves some of its Resident Assistant jobs for students with exceptional financial need. All Resident Assistants receive a waiver of room and board charges. If the student quits the job, the waiver is removed and the student has to pay the room and board charges. All the students have the room and board charges in their cost of attendance. For students who are Resident Assistants because of their financial need, Guerrero must count the room and board waiver as a resource and estimated financial assitance. If the waiver is not taxed, then the student must report the waiver amount as untaxed income on the FAFSA.

Alternate example of waived or paid COA component

The state in which Guerrero University was founded charges all full-time students the same tuition charge. However, in-state students receive a voucher to cover the difference between what most states consider in-state versus out-of-state tuition. Guerrero has two options. The first option would allow Guerrero to include the same tuition charge in the full-time COA for all students and include the amount of the voucher as a resource and estimated financial assistance (EFA) in the respective students' financial aid packages. Alternatively, Guerrero could exclude the amount of the voucher from COA, as a resource, and EFA because the voucher must be used to explicitly to pay a specific ccomponent of the COA. Regardless of the option Guerrero chooses, it must apply the option consistently.

WIA reimbursement contracts

Some WIA contracts operate on a reimbursement basis; that is, the student must fulfill the terms of the contract before WIA will reimburse the school for tuition and fee costs. If the student doesn't fulfill the terms of the contract, the school is left with an unpaid tuition and fees charge. The school isn't permitted to hold the student liable for the unpaid tuition and fees. Contracts are established this way to offer schools an incentive to properly train and place students enrolled in the training programs. However, if a tuition and fees charge is included in a Title IV recipient's budget, the student would be liable for any outstanding charges that are not reimbursed by WIA. Therefore, schools that enter into reimbursement contracts *must remove the tuition and fees component* from the Title IV budget because, under these contracts, schools are prohibited from holding the student liable for outstanding charges.

Tuition prepayment plan

Higher Education Act
Sec. 480(j)

- You have the authority to use **professional judgment** to adjust the cost of attendance on a case-by-case basis to allow for special circumstances. Such adjustments must be documented in the student's file. (See "Professional Judgment" in the *Application and Verification Guide*.)

Costs waived or paid by other sources

When a specific component of a student's cost of attendance is waived or explicitly paid by another source, special treatment may be necessary. In some situations, the student is charged the normal tuition and fees charge with an offsetting credit issued. In other situations, the student is never charged tuition and fees at all. Although this section discusses this concept in terms of tuition and fee charges, it applies to any of the components of a student's cost of attendance.

In some cases, such as under Workforce Investment Act (WIA-formerly JTPA) programs, a student's tuition and fees are paid by another organization or are waived. The student's costs are based on what the school is actually charging the student, based on the agreement between the school and the student.

If the student is charged for the tuition and fees, even if the charge is eventually paid by someone besides the student (e.g., a scholarship agency or other source of aid), then that tuition and fee amount is included in the cost of attendance in most circumstances (see sidebar on "Alternate example of waived or paid COA component"). The tuition and fees payment would then be counted as a resource and estimated financial assistance. The charge is documented in the same way as for any non-WIA student—for instance, in your school's contract with the student or in the agreement with the WIA agency. (If your school charges the student for tuition and fees, your school would have to expect the student to pay the charge if the WIA agency or other source of assistance doesn't pay on the student's behalf.)

If the student is never charged for tuition and fees, then the cost of attendance wouldn't include the tuition and fees component. Some WIA agreements with schools provide that the school can't charge the tuition and fees to the student, even if WIA doesn't cover the costs. If your school is prohibited under such an agreement from charging tuition and fees to the student, then the tuition and fees aren't included in the student's cost of attendance, and, therefore, that amount would not be included as a resource or estimated financial assistance.

The same principle applies to *prepaid tuition plans*. If the money from the plan is intended to reduce the amount of tuition and fees that is charged to the student, then the cost of attendance used for the FSA programs would not include a tuition and fees component. On the other hand, if money from such a plan is used to pay a tuition and fee charge, then the cost of attendance is not affected.

Even if there's no tuition and fees component, the student's budget still includes the other costs listed previously, such as an allowance for living expenses. Note that a Pell Grant award to a student who has no tuition and fees may need to be based on the Alternate Schedule for "Tuition Sensitivity" (discussed in Chapter 3).

COSTS FOR PERIODS OTHER THAN 9 MONTHS

The cost of attendance used to package Campus-based aid and Stafford / PLUS loans covers the student's actual period of enrollment. Therefore, if the student will be attending for more than 9 months, you must use a higher cost of attendance that includes living expenses, such as room and board, for the longer period of time. If the student will be attending for less than 9 months, you must use a lower cost of attendance. You can choose to prorate the allowances you use for 9 months, or can calculate the cost in any other reasonable way.

Adjusting Costs for Pell

The types of costs included in the Pell budget are the same as those for the other FSA programs; however, Pell costs are always based on the costs for a *full-time student for a full academic year*.

For Pell, costs for programs or enrollment periods longer or shorter than an academic year must be prorated so that they are the costs for one full academic year. This is true for both parts of the academic year definition: if either the number of weeks or the number of clock / credit hours differs from the academic year standard, the costs must be prorated to determine the full-time / full-year Pell budget.

The need to prorate Pell costs is most likely to occur in these situations:

- a term-based program that provides less than 30 weeks of instructional time in an academic year.
- a non-term program that provides less than 24 semester hours, 36 quarter hours, or 900 clock hours and / or provides less than 30 weeks of instructional time in an academic year.
- a program that is longer than an academic year, where the costs for the entire program are charged at the beginning of the program.

There are two ways to prorate Pell costs, as shown in the first two examples on the next page. Both of these examples are based on a program that is shorter than an academic year. The third example shows how costs are prorated when they are charged for a program that is longer than an academic year.

If the student is in a category where costs are limited, such as less-than-half-time enrollment, those costs that are allowable must

Costs for a period other than 9 months

For Stafford, PLUS, and Campus-Based aid, the cost of attendance used for packaging must reflect the student's cost for that period that he or she is actually enrolled.

For instance, if a student is completing her program of study by taking a 1/2-time course load for the fall semester at your school, and that's the only term that she'll be attending in the award year, you could use the actual tuition and fee charges for the student's costs. If you use average costs for living expenses for a 9-month academic year for students in that program, you may divide your average costs by the number of terms in the academic year to find the cost for this enrollment period.

For Pell Grants, you could either use an average tuition cost for a full-time full-year student in the program or prorate the student's actual tuition for the fall term to arrive at a full-year full-time cost. Costs for living expenses may also be average costs for a full academic year—if a full-year average cost is used, it doesn't have to be prorated for Pell Grant awards.

Costs for full program charged at start

A school may charge the total tuition cost for a program at the beginning of the first period of enrollment. If the program is longer than an academic year, for Stafford/PLUS loans and campus-based aid, the tuition costs apply only to the first period of enrollment. For Pell, you must prorate these charges to reflect the academic year in accordance with the procedures outlined in Chapter 3.

be based on costs for a full-time student for a full academic year. For instance, the tuition component of the Pell cost of attendance for a less-than-half-time student must be based on the tuition costs that would be incurred by a full-time student attending a full academic year.

Note that prorating the cost of attendance usually does not affect the amount of Pell Grant the student receives. However, you're required to report the full-time-full-year Pell budget when reporting disbursements to COD.

Cost Example #1: prorating total costs by lesser of two fractions

You may take the student's entire cost of attendance (tuition and fees, room and board, etc.,) and multiply it by the lesser of the two fractions that represent the length of the academic year. If the lesser fraction is one, then you don't prorate the cost of attendance. One fraction is based on credit or clock hours and the other is based on weeks of instructional time, as shown in this example.

Let's use the example of a program that charges $10,500, awards 18 semester credits, and is completed by most full-time students within 20 weeks of instructional time.

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$$\frac{\text{Credit/clock hours in academic year definition} = 24}{\text{Credit/clock hours awarded} = 18} \qquad \frac{\text{Weeks in academic year definition} = 30}{\text{Weeks provided} = 20}$$

Since the fraction using credit hours is the lesser fraction, the program cost of $10,500 is multiplied by 24/18 to find the full-year Pell cost.

$$\$10{,}500 \times 24/18 = \$14{,}000$$

In this case, the full-time cost is $14,000. (Note: If one of the fractions is equal to one, for instance, if the program awards 24 credit hours, then the pro-rated cost is the same as the original cost of attendance.)

Cost Example #2: prorating academic costs & living expenses separately

As an alternative, you can separately pro-rate the costs associated with credit or clock hours (tuition and fees, books and supplies, loan fees) and the costs associated with weeks of instructional time (room and board, miscellaneous expenses, disability expenses, transportation, dependent care, study abroad, reasonable costs associated with employment as part of a cooperative education program).

Using our earlier example of a program lasting 20 weeks and awarding 18 credit hours, and specifying that the student's tuition, books, supplies, etc come to $4,500 and living expenses amount to $6,000, the calculation would look like this:

$$\frac{\text{24 credit hours}}{\text{18 credit hours}} \times \$4{,}500 = \$6{,}000$$

$$\frac{\text{30 weeks}}{\text{20 weeks}} \times \$6{,}000 = \$9{,}000$$

In this example, the student's Pell budget is the sum of the two prorated costs, or $15,000.

Cost Example #3: prorating costs for a nonterm program longer than an academic year

Costs must also be prorated if they are charged for a period longer than an academic year. You may use either of the proration methods shown in Examples 1 and 2.

We'll use the example of a program awarding 1,000 clock hours and providing 40 weeks of instructional time. Let's assume that the school uses the regulatory minimums in defining the academic year as 900 clock hours and 30 weeks.

The total costs over the 40 weeks, including tuition and living expenses, is $5,900. If we use the method in Example 1, this amount must be prorated by the lesser of the following two fractions.

$$\frac{\text{Credit/clock hours in academic year definition} = 900}{\text{Credit/clock hours awarded} = 1000} \qquad \frac{\text{Weeks in acad. year definition} = 30}{\text{Weeks provided} = 40}$$

The lesser of the two fractions is the one based on weeks (3/4). Multiply the total program cost by this fraction to determine the Pell costs for a full academic year: $5,900 x 3/4 = $4,425.

Pell Grant cost of attendance for a consortium program

A student receiving a Pell Grant for attendance at two schools through a consortium agreement may have costs from both schools at the same time. The student's cost of attendance is calculated in the same way as for a student taking classes at only one school. The student's charges for tuition and fees and books and supplies at the consortium schools have to be combined into a single charge for a full academic year for purposes of the Pell calculation. The school paying the student can choose to use actual charges for the student, which would simply be the sum of the actual charges at both schools. Of course, if the student isn't attending full time, your school will have to prorate these tuition and fees and books and supplies charges so that they are the correct amounts for a full-time, full-year student.

If the disbursing school is using average charges, then the average full-time charges at each of the schools must be prorated and combined. If the student is taking a full-time load at each school, the full-time tuition and fees charges for an academic year at each school can be averaged to determine the tuition and fee cost. However, if the student is taking an unequal course load, the disbursing school must prorate the charges based on the number of hours the student is taking at each school.

Pell Grant cost of attendance for a co-op program

If a student has a co-op job for the first term, the tuition and fees for that period can be prorated over the full academic year for the program (which must include at least 30 weeks of instructional time). This prorated amount is then added to the other cost of attendance components to arrive at the total cost for a full-time student for a full academic year.

For the rest of the year, your school can either use the cost of attendance with the projected amount or can recalculate the student's tuition and fees at the end of the first term to determine a new cost of attendance for the remaining payment periods. This decision must be consistent with your school's overall policy on recalculating for changes in a student's costs. (See the discussion of Pell Grant recalculations in Chapter 3 of this volume for more information.) Note that the cost of attendance can also include employment-related expenses.

Calculating Pell Grant Awards

CHAPTER 3

Pell Grant awards are based on the EFC on the student's SAR or ISIR, the academic year structure (see Chapter 1), and the student's cost of attendance (see Chapter 2). The scheduled award amounts are specified on the Payment Schedules released by the Department prior to each award year. For term-based programs, awards for part-time students are also based on enrollment status, using the part-time charts in the Pell Grant Disbursement Schedules.

In this chapter, we'll show you how to take the award amount for the year and calculate Pell Grant payments for your students, using the appropriate formula for the term or non-term calendar in the academic program.

SCHEDULED AWARD, AWARD YEAR, & ANNUAL AWARD

The Scheduled Award is the maximum amount the student can receive during the award year, if he or she attends *full time* for a *full* academic year. The award year begins on July 1 of one year and ends on June 30 of the next year. For example, the 2004-2005 award year begins July 1, 2004, and ends June 30, 2005.

The student's *Scheduled Award* is established by the Pell Grant Payment Schedule that the Department issues prior to the start of each award year. The amount of the Scheduled Award is always taken from the Full-Time Payment Schedule, and is based on the student's EFC and Cost of Attendance. (The Payment Schedule is usually incorporated in Pell payment software, so awards can be calculated automatically—a printed copy is included at the end of this chapter for your reference.)

The Scheduled Award is a maximum that can't be exceeded, even if the student transfers to another school or attends for a period longer than one academic year during the award year. For example, if a full-time student attends Fall and Spring semesters, and those terms encompass an academic year, the student would have no remaining eligibility in that award year for a summer term. (However, you can use the student's Pell Grant eligibility for the coming award year to pay a student for a summer term or other crossover payment period, as described later in this chapter.)

The annual award is the maximum amount a student would receive during a full academic year for a given enrollment status, EFC, and COA. Note that for a full-time student, the annual award will be the same as the Scheduled Award.

CHAPTER 3 HIGHLIGHTS

Pell Grant calculations for:

- Credit-hour term programs with fall through spring standard terms that provide 30+ weeks of instructional time (Formula 1)
- Credit-hour term programs with fall through spring standard terms that provide less than 30 weeks of instructional time (Formula 2 or Formula 3)
- Credit-hour term programs with nonstandard terms (Formula 3)
- Clock hour programs and all other non-term credit-hour programs (Formula 4)
- Summer terms, crossover payment periods, and mini-sessions
- Transfer students
- Recalculations (required and optional) when EFC, cost, or enrollment status changes

Scheduled Award Limit

34 CFR 690.63(g)

Appendices

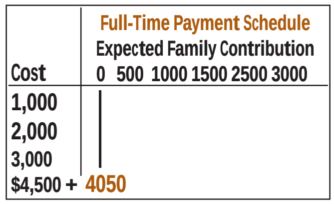
Appendix A - Formula 2: Calculations for standard-term programs with less than 30 weeks in fall through spring

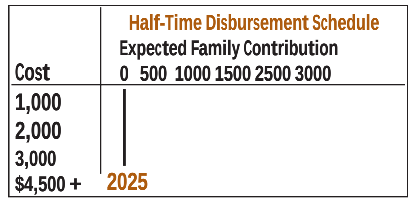
Appendix B - Formula 5: Calculations for correspondence study programs

Appendix C - Formula summaries for all five Pell formulas

At a term school, a part-time student will have an *annual award* that is less than the Scheduled Award. If the student attends part-time, the student's annual award is taken from the 3/4-time, 1/2-time, or less-than-1/2-time disbursement schedules.

For instance, if a student's Scheduled Award is $4,050, but the student is enrolled as a 1/2-time student in a term program, the student's annual award would only be $2,025.





The annual award is for a full academic year, and must be divided into payments for the payment period using the formulas described in this chapter. Note that if a student only attended half of an academic year, the student could receive no more than one-half of the annual award.

TERMS AND PAYMENT METHODS

Generally, if all the coursework can be completed within a specific time frame, the program can be considered term-based. Term-based programs can have either standard terms or nonstandard terms. Generally, Pell Grants are calculated differently for the two types of terms. Standard term programs may be treated similarly to nonstandard term programs if the program does not conform to a traditional academic calendar.

Standard terms

Standard terms are semesters, trimesters, or quarters, as these words are traditionally used. In traditional usage, an individual semester or trimester provides about 14 to 17 weeks of instructional time and full time is defined as at least 12 semester or trimester hours. The program's academic calender generally consists of three terms, one each in fall, spring, and summer. In traditional usage of the term "quarter," an individual quarter provides about 10 to 12 weeks of instructional time, and full time is defined as at least 12 quarter hours. The program's academic calendar generally includes three quarters in the fall, winter, and spring and often a summer quarter as well.

Non-standard terms

Any term that isn't one of the standard terms described above is a nonstandard term. Sometimes schools refer to terms by standard names when the are, in fact, nonstandard terms. For example, a program may be made up of terms called quarters but progress is measured in semester hours.

Multiple award provision

The law and regulations allow for the possibility of a second Scheduled Award during an award year under certain conditions, subject to available funding. If funds are available, we will inform you through a *Federal Register* notice and electronic announcement.
HEA Sec. 401(b)(6)(A), 34 CFR 690.67

Enrollment status under consortium agreement

The enrollment status of a student attending more than one school under a consortium agreement is based on all the courses taken that apply to the degree or certificate at the home institution. The disbursing school may have to make some adjustments if the coursework at the other school is measured in different units.

Enrollment status for cooperative education

In a cooperative education program, your school assesses the work to be performed by the student and determines the equivalent academic course load. The student's enrollment status is based on the equivalent academic course load.

Consortium Different Units Example

Chris is taking 6 semester hours at Hart University, the home institution, and 9 quarter hours at Sarven Technical Institute. To determine his enrollment status, Hart needs to convert the hours at Sarven into semester hours. Because a quarter hour is about two-thirds of a semester hour, Hart multiplies the number of quarter hours by two-thirds:

9 quarter hours X 2/3 = 6 semester hours

Then the hours taken at both schools can be added together:

6 semester hrs. at Hart
+ 6 semester hrs. at Sarven
12 semester hours

Linda is also taking 6 semester hours at Hart University and 9 quarter hours at Sarven Technical Institute, but her home institution is Sarven Technical Institute. Because Sarven is paying her, it needs to convert the semester hours taken at Hart into quarter hours:

6 semester hours X 3/2 = 9 quarter hours

Then, the hours taken at both schools can be added together:

9 quarter hrs. at Sarven
+9 quarter hrs. at Hart
18 quarter hours

Non-term programs

If a program is not designed to be completed within a set amount of time, it is likely a non-term program. Non-term programs may be measured in either clock hours or credit hours.

Ground rules for Pell

Fractions

When using fractions, be careful to multiply first, and then divide to avoid an incorrect result. For example, here's the correct way to prorate a $2,130 Scheduled Award for a payment period that is a nonstandard term of 10 weeks of instructional time.

$$\$2{,}130 \times \frac{10}{30} \text{ is multiplied as } \frac{2{,}130 \times 10}{30} = 710$$

In this case, if you divided the fraction to get a decimal (.333333...) and then round the decimal either down (.33) or up (.34), your calculation will result in a number that's too low (703) or too high (724).

Rounding

Previously, schools were required to round to the nearest dollar when making disbursements. However, the Common Origination and Disbursement System (COD) accepts cents in payment amounts. **Schools are not required to round disbursements to the nearest dollar, but can if they choose.** Your school's policy of rounding, whether to the nearest dollar or cent, must be applied consistently to all students. Note that COD has very specific format requirements for payment amounts.

When rounding disbursements, round up if the decimal is .50 or higher; round down if it's less than .50. For instance, if a calculation results in a payment of $516.50, round up to $517. If the calculation result is $516.49, round down to $516.

If you're rounding disbursements for a student who is expected to be enrolled for more than one payment period in the award year, you have to alternate rounding up and rounding down to ensure that the student receives the correct amount for the year. For example, if a student had a Scheduled Award of $1,025 to be paid in two payment periods, the first payment would be $513 (rounded up from $512.50), and the second payment would be $512 (rounded down to ensure that the student isn't overpaid for the year).

The same principle applies when there are three or more payment periods in the award year. For instance, if the student has a Scheduled Award of $1,100 and enrolls as a full-time student at a school using quarter terms, the payment for each term would come to $366.66. If the school is rounding disbursements, the first two payments would be rounded up to $367, and the last payment would be rounded down to $366 to reach the total of $1,100.

CREDIT-HOUR TERM-BASED PROGRAMS

Annual award based on enrollment status

In a term-based program, academic progress is always measured in credit hours, and the student's annual award depends on his/her enrollment status. Your school's standards for enrollment status must meet the minimum regulatory requirements, which are discussed in further detail in *Volume I: Student Eligibility (Chapter 1).*

Academic calendar & enrollment status changes

Because the academic calendar for a program determines which Pell formula you use, you need to review the conditions for the use of each formula if the calendar for the program changes. This is particularly true if you are using Formulas 1 and 2, since they have the most restrictive conditions.

If a student's enrollment status changes during the year, your school may have to recalculate the student's Pell Grant payment based on the new enrollment status. At the end of this chapter we'll discuss when a school is required to recalculate due to a change in enrollment status.

34 CFR 690.63

Including remedial coursework in enrollment status

When figuring enrollment status, your school must include any reduced-credit or noncredit remedial coursework designed to increase the student's ability to pursue his or her program of study. See the discussion of "Enrollment Status" in *Volume I: Student Eligibility (Chapter 1)*.

Variations in enrollment status standards

If a program uses standard terms, the enrollment status standards in the program don't have to be proportional—for instance, a program could have a 15-hour standard for full-time enrollment, but set a 9-hour minimum for 3/4-time status and a 6-hour minimum for 1/2-time status.

In addition, your school's academic standard may differ from the enrollment standard used by the financial aid office for FSA purposes. For example, your school may define full time as six hours during the summer; however, the financial aid office uses 12 hours as full time for all terms including the summer term. Your school must apply its FSA full-time enrollment standards consistently to all students enrolled in the same program of study for all FSA purposes.
34 CFR 668.2, 34 CFR 690.2

Enrollment status for students taking regular and correspondence courses

If a student is enrolled in a noncorrespondence study program, but correspondence coursework is combined with regular coursework, the correspondence courses must meet the following criteria to be included in the student's enrollment status:

- The courses must apply toward the student's degree or certificate or must be remedial work to help the student in his or her course of study.

- The courses must be completed during the period required for the student's regular coursework.

- The amount of correspondence work counted can't be more than the number of credit hours of regular coursework in which the student is enrolled.

If the student is taking at least a half-time load of correspondence courses, the student would be paid as at least a half-time student, regardless of the credit hours of regular coursework. A student will be paid as a less-than-half-time student for any combination of regular and correspondence work that is less than 6 credit hours or the appropriate equivalent of half-time.

For standard terms, the minimum enrollment standards are:

Full-time: 12 semester hours per semester/trimester
12 quarter hours per quarter
3/4-time: 9 semester hours per semester/trimester
9 quarter hours per quarter
1/2-time: 6 semester hours per semester/trimester
6 quarter hours per quarter
Less than 1/2-time: less than half of the workload of the minimum full-time requirement.

For nonstandard term enrollment standards, see p. 3-31. If the student is enrolled full-time, then the annual award is the Scheduled Award, which is based on the full-time Payment Schedule.

If the student is attending part-time, you must use the 3/4- time, 1/2-time, or less than 1/2-time disbursement schedules, depending on the number of credit hours in which the student enrolls. If the student is enrolled less-than-half-time, it will also affect the cost components that are used in the student's Budget (See Chapter 2). *Schools do not have the discretion to refuse to pay an eligible part-time student.*

On the appropriate full-time or part-time Payment or Disbursement schedules, use the student's Cost of Attendance and EFC to look up the Pell amount for the year at that enrollment status. This is the annual award. Most student aid software programs, such as EDExpress, will do this for you automatically, but we have included a printed version of the 04-05 schedules at the end of this chapter for your reference.

Pell Grant payments by term

Pell Grants must be paid in installments over the course of a program of study to help meet the student's cost in each payment period. The payment period affects when Pell funds are disbursed and the exact amount to be disbursed. For credit-hour term programs, the payment period is the term. If the student doesn't enroll in one of the terms, he/she won't receive a portion of the award for that payment period. If the student's enrollment status changes in the next term, his/her annual award will be different. (See discussion of terms and payment methods.)

Enrollment Status for Enrollment in Correspondence and Regular Coursework

Regular Work	*Correspondence Work*	*Adjusted Total Course Load*	*Enrollment Status*
3	3	6	Half time
3	6	6	Half time
3	9	6	Half time
6	3	9	Three-quarter time
6	6	12	Full time
2	6	6	Half time

This chart assumes that the school defines full-time enrollment as 12 credit hours per term, making half-time enrollment 6 credit hours per term. As you can see in the second and third examples, the number of correspondence hours counted in the total course load was adjusted so that the correspondence hours never exceeded the regular hours taken. Note that in the last example, the student is eligible for payment based on half-time enrollment in correspondence courses, despite the fact that the student only took 2 credit hours of regular coursework.

FORMULA 1 : STANDARD TERM PROGRAMS WITH ACADEMIC CALENDARS OF 30+ WEEKS

For you to be able to use Formula 1, the program:

- must have an academic calendar that consists of standard terms--two semesters or trimesters, or three quarters in the fall through spring,
- must have at least 30 weeks of instructional time in fall through spring terms.
- must not have overlapping terms, and
- must define full-time enrollment for each term in the award year as at least 12 credit hours and must measure progress in credit hours.

The term is the payment period, and you divide the student's award by the number of terms in the program's academic year.

Formula 1: Basic Calculation

To qualify for Formula 1, the program must use standard terms and have an academic calendar of 2 semesters or trimesters, or 3 quarters, and full-time enrollment must be at least 12 credit hours. In Formula 1, the annual award is simply divided by the number of terms in the fall through spring.

Take the case of Jeff, who is enrolled full-time in a program that has an academic year of 30 weeks of instructional time and 24 semester hours. The program has Fall and Spring semesters that provide a total of 30 weeks of instruction and a 12 week summer nonstandard term with 12 semester hours as full-time. Jeff has a Scheduled Award of $3,000, and since he is enrolled full-time, that is also his annual award. Since the fall through spring has standard terms, it doesn't matter that the summer term is nonstandard, you still calculate summer payment based on Formula 1.

$$\frac{\$3{,}000}{2} = \text{\$1,500 disbursement for each payment period}$$

The same formula would be used if Jeff enrolled in a program that has Fall, Winter, and Spring quarters that provide at least 30 weeks of instruction. The only difference is that Jeff's annual award of $3,000 is divided by 3.

$$\frac{\$3{,}000}{3} = \text{\$1,000 disbursement for a quarter}$$

Note that Jeff is receiving a full Scheduled Award because he is attending for two terms as a full-time student and has no remaining eligibility for the summer payment period included in the award year. Next, we'll show other situations where a student might have remaining eligibility for summer, or can be paid for summer out of the next award year.

Requirements to be able to use Formula 1

34 CFR 690.63(a)(1)

Basic Pell calculations

Pell payment schedules: 34 CFR 690.62
Pell formulas: 34 CFR 690.63
"Crossover" payment periods (e.g. summer sessions): 34 CFR 690.64

Standard term composed of shorter terms or modules

Remember that you can combine shorter terms or modules into a standard term that meets the requirements for Formula 1. See the discussion of academic calendars in Chapter 1 for examples.

Alternate calculation

If your school has a summer term, you may wish to use an alternate calculation that spreads the Scheduled Award over the summer term as well if your students attend full-time year round.

Alternate schedules for low tuition costs

Use the alternate schedules to look up the annual award for students whose:
- Tuition plus dependent care and/or disability expenses are less than $675 (based on full-time full-year costs),
- Total cost of attendance is $3,400 or higher, and
- EFC is 700 or less.

In addition, the law now specifically provides that schools that charged only fees in lieu of tuition as of October 1, 1998, can count those fees as tuition for this calculation.

Formula 1: Enrollment status change

Let's say that one of your students, Micki, enrolls full-time in the fall semester. She has a cost of $10,000 and EFC of 100, so her Scheduled Award, taken from the full-time Payment Schedule, is $4,000. Since she's attending full-time, this is also her annual award. If your school defines its academic year as 30 weeks of instructional time and 24 semester hours, Micki's annual award is divided by 2 to arrive at the disbursement for the fall semester.

$$\frac{\$4{,}000}{2} = \$2{,}000 \text{ for Fall}$$

Micki decides that a full-time schedule is too ambitious, so she enrolls in the Spring term as a 3/4-time student. Her EFC is the same, and even though her tuition is slightly less, the Pell award is still based on full-time costs. However, her annual award is now based on the 3/4-time disbursement schedule, so her Spring payment will be less than her Fall payment.

$$\frac{\$3{,}000}{2} = \$1{,}500 \text{ for Spring}$$

Note that Micki's Scheduled Award is still $4,000, and she has only received $3,500. This means that she is still eligible for up to $500 in Pell funds from this award year if she attends a summer term. (We'll discuss other summer term payment options later in this chapter.)

Formula 1: Alternate calculation

If you're working with a standard-term program that meets the rules for Formula 1, the regulations give you an option to divide the annual award by the number of all the terms (including the summer term) in the award year. Schools that use this alternate calculation have programs where full-time students attend year round. The alternate calculation ensures that students get Pell payments in all terms in the award year. The disadvantage is that a student who misses one of the terms (such as a summer term), won't get a full Scheduled Award for that year.
34 CFR 690.63(b)(3)(ii)

If you choose to use this alternate calculation, you must:

- use the alternate calculation for *all* students enrolled in the same program of study,
- use the alternate calculation for all payment periods in the award year,
- increase the number of weeks of instructional time in the academic year defined for the student's program to include the number of weeks of instructional time in the summer term, and
- include the costs for the additional term in the Pell cost of attendance.

Your school may also include the number of credit hours for the additional term in your definition of the academic year for the student's program.

For example: Kevin enrolls as a full-time student in a 2-year associate degree program at Ivers College (IC). The academic calendar consists of two 15-week semesters. The program also has a summer semester that is the same length.

IC decides to use the alternate calculation to distribute the award over all three terms, as its students attend full-time throughout the award year. IC defines the academic year as 36 semester hours and 44 weeks of instructional time (both the weeks and the credit hours for the summer term are included in the academic year). Kevin's Scheduled Award is $3,600. He's attending full-time, and so his annual award is the same. Using the alternate calculation, ICC divides the annual award by the payment periods in the award year.

$$\frac{\$3{,}600}{3} = \$1{,}200 \text{ disbursement for term}$$

FORMULA 2: STANDARD-TERM PROGRAMS WITH LESS THAN 30 WEEKS IN THE FALL THROUGH SPRING

Formula 2 may be used for programs that would qualify for Formula 1 except that the program's academic calendar provides less than 30 weeks of instructional time in the fall through spring terms. Like formula 1, it simplifies the calculation payments by providing for the same calculation for all payment periods in the award year. Only a small number of institutions use Formula 2; therefore, it is coverred in Appendix A of this chapter.

FORMULA 3: GENERAL FORMULA FOR ANY TERM-BASED PROGRAM

Any term-based program may use this formula for Pell calculations, but you *must* use this formula for a term-based program that does not qualify for formulas 1 or 2, for instance, a program that uses only nonstandard terms.

To calculate the payment for the term, you must prorate the annual award that you looked up on the appropriate Pell Grant Payment or Disbursement Schedule. Unlike the term calculation in Formula 1, the annual award can't simply be divided evenly among the terms. Instead, you must multiply the annual award by a fraction that represents the weeks of instructional time in the term divided by the weeks of instructional time in the program's academic year.

$$\frac{\text{weeks* in term}}{\text{weeks* in academic year (at least 30)}}$$

If the resulting amount is more than 50% of the annual award, your school must make the payment in at least two disbursements in that payment period regardless of whether the term is a standard term or a nonstandard term. A single disbursement for a payment period can never be more than 50% of the annual award. You may not disburse more than 50% of the annual award until the student has completed half of the weeks of instructional time in the program's academic year definition.

Enrollment status standards for nonstandard terms

If you are using Formula 3 for a program that has standard terms, the minimum enrollment standards previously discussed would still apply for the standard terms. However, if the program has non-standard terms, the enrollment standard must be calculated for the nonstandard terms. The full-time enrollment status is determined for a non-standard term is based on the length of the term in relation to the academic year**

$$\text{Credit hours in academic year} \times \frac{\text{weeks* in non-standard term}}{\text{weeks* in academic year (at least 30)}}$$

** If the resulting number isn't a whole number, it is rounded up to the next whole number, for example, 3.3 is rounded up to 4, if the program's coursework is offered in whole credits. If the program's coursework is offered in fractions, the full-time enrollment status need not be rounded, for example, 3.3 would remain 3.3 as full-time and a student taking 3.4 credits in the term would be full-time.

When to use Formula 3

- If a term program uses non-standard terms, you must use Formula 3 for Pell calculations.
- If a term program or has an academic year that provides less than 30 weeks of instructional time, you may be required to use Formula 3, unless the program qualifies for Formula 2 (see below).
- Any term program can opt to use Formula 3. However, standard term programs that qualify for Formula 1 generally prefer to use that formula because it is simpler.

Lump Sum Payment and the 50% Requirement

If the initial disbursement for the payment period occurs after half of the weeks of instructional time have passed during the payment period, you can make a lump-sum disbursement of the full payment for the payment period.

EXAMPLE: Your school has a program that must use Formula 3. The program has 3 terms with 17, 14, and 6 weeks of instructional time and defines its academic year as 30 weeks of instructional time and 24 semester hours. Debbie is attending half-time for all three terms. Her payments for each payment period are 17/30, 14/30, and 6/30 of her half-time annual award. Her award for the 2nd and 3rd terms may be disbursed in a single disbursement. For the first term, you may disburse 15/30 of her award at the beginning of the term and the final 2/30 only after the 15th week of instructional time in the term. If Debbie establishes eligibility in the 16th week of the term, you can make a lump-sum disbursement of 17/30 of the annual award at that time.

Regulatory citations

Formula 3 described: 34 CFR 690.63(a)(3)
Enrollment status for nonstandard terms: 34 CFR 690.63(d)(1)(ii)
Disbursement cannot exceed 50% of annual award: 34 CFR 690.63(f)

Fractions

Remember when using fractions, multiply first, and then divide. Dividing the fraction first to produce a decimal can cause an error if you need to round the decimal up or down.

*These fractions use *weeks of instructional time* as defined in Chapter 1, which are not necessarily the same number as the calendar weeks in an academic year.

After your school has determined the number of credit hours required for full-time enrollment, your school can then determine the less-than-full-time status for the nonstandard term using the following formula:

$$\frac{\text{Credit hours student takes in the nonstandard term}}{\text{Credit hours required for full-time enrollment in the nonstandard term}}$$

Formula 3: Payments for standard terms

Hope College has a semester-based program with a 2-semester academic calendar that comprises 28 weeks of instructional time. The program's academic year is defined as 24 semester hours and 30 weeks of instructional time. If both semesters are 14 weeks in length, the Pell payment for a full-time student with a Scheduled Award of $4,050 would be calculated as follows:

$$\frac{\text{14 weeks* in term}}{\text{30 weeks* in academic year}} \text{ X } \$4{,}050 = \$1{,}890$$

Formula 3: Payments for non-standard terms of equal length

Just a few miles down Rio Road from Hope, Crosby University has a program that consists of four 8-week terms. Crosby University defines the academic year as 40 quarter hours and 32 weeks of instructional time. Because this program does not use standard terms (semesters, trimesters, or quarters), Crosby University must use Formula 3 to calculate Pell disbursements for students in the program. Let's use the example of a student who attends all four terms for 10 quarter hours each term in the 2004-05 award year, and has a Scheduled Award of $3,700.

Because the program has nonstandard terms, Crosby University must determine the number of credit hours required for full time enrollment in each term, as follows:

$$\frac{\text{8 weeks* in term}}{\text{32 weeks* in academic year}} \text{ X } \text{40 quarter hours} = \text{10 quarter hours}$$

A student enrolled for 7 hours could be paid as a half-time student (7/10 = .7, which is less than 3/4 [.75] but greater than 1/2 [.5]) Since the student in our example will be enrolled for 10 hours each term, she is a full-time student and her annual award is the same as her Scheduled Award. This is a term-based, credit-hour program, so the payment period is the term.

To determine the student's payment for each payment period, multiply her annual award by the length of the non-standard term compared to the length of the academic year:

$$\frac{\text{8 weeks* in term}}{\text{32 weeks* in academic year}} \text{ X } \$3{,}700 = \$925$$

*These fractions use weeks of instructional time as defined in Chapter 1, which will not necessarily be the same number as the calendar weeks in an academic year.

Formula 3: Payments for non-standard terms of unequal length

Owen is enrolled in a semester-hour program at Hart University that has a 10-week nonstandard term between two 12-week nonstandard terms. The terms do not overlap. The academic year for the program is defined as 34 weeks of instructional time and 24 semester hours. Courses are offered in whole credits. Hart must use formula 3 to calculate Pell Grant payments for students in this program. Owen's Scheduled Award is $2,800. He enrolls for 6 semester hours in each of the three terms. Because the program has nonstandard terms, Hart must determine the number of credit hours required for full-time enrollment in each term, as follows. For the first and third term:

$$\frac{\text{12 weeks* in term}}{\text{34 weeks* in academic year}} \quad \text{X} \quad \text{24 semester hours} = \text{8.47 (round up to 9)}$$

For the second term:

$$\frac{\text{10 weeks* in term}}{\text{34 weeks* in academic year}} \quad \text{X} \quad \text{24 semester hours} = \text{7.06 (round up to 8)}$$

A student must enroll in 9 semester hours (rounded up from 8.47) in the first and third terms, and 8 semester hours (rounded up from 7.06) in the second term, to be full-time. Owen is enrolled half-time in the first and third terms (6 semester hours/9 semester hours = .67). He is enrolled three-quarter time in the second term (6 semester hours/8 semester hours =.75). The cost of attendance does not need to be prorated because the fall through spring terms provide the same number of weeks of instructional time as in the academic year definition. Further, the school has determined the costs for a full-time student for a full academic year.

Based on a cost of attendance of $8,745 and an EFC of 1214, the half-time disbursement schedule shows that Owen is eligible for an annual award of $1,400. Because this is a term-based credit-hour program, the payment period is the term. To calculate Owen's payment for the first and third terms, the school uses the fraction 12/34:

$$\frac{\text{12 weeks* in term}}{\text{34 weeks* in academic year}} \quad \text{X} \quad \$1{,}400 = \$494.12$$

Owen's payment for each of the first and third terms will be $494.12.

Since Owen's enrollment status for the middle term is three-quarter time, the payment for that term is based on a three-quarter-time annual award of $2,100. To calculate the payment for the middle term, the school uses the fraction 10/34:

$$\frac{\text{10 weeks* in term}}{\text{34 weeks* in academic year}} \quad \text{X} \quad \$2{,}100 = \$617.65$$

Owen's payment for the middle term (the second payment period) is $617.65

*These fractions use weeks of instructional time as defined in Chapter 1, which will not necessarily be the same number as the calendar weeks in an academic year.

FORMULA 4: CLOCK HOUR AND NON-TERM CREDIT-HOUR PROGRAMS

Checking 1/2-time enrollment status

For clock-hour programs and for non-term credit-hour programs, enrollment status only makes a difference if the student is attending less than half time. If that's the case, only certain components of the cost of attendance are used. (See discussion in Chapter 2.)

The annual award for a student in a clock-hour or non-term credit-hour program is taken from the full-time Payment Schedule, even if the student is attending less than full-time. This requirement includes using the full-time Payment Schedule for certain low-cost students (see sidebar on low tuition costs on p. 3-29).

Calculating payment amounts

Pell Grants must be paid in installments over the course of the academic year or program of study to help meet the student's cost in each payment period. The payment period determines when Pell funds are disbursed and the exact amount to be disbursed. You must use the rules discussed in Chapter 1 to determine the payment periods for clock hour and non-term credit-hour programs.

In non-term programs, the student's Pell award is not reduced for part-time enrollment unless the student is enrolled less than half-time in which case the student's cost of attendance must be adjusted. However, if the program is less than an academic year (in either clock/credit hours or weeks of instructional time), students enrolled in that program won't receive a full Scheduled Award.

As in the case of the other formulas, you must perform comparable prorations of the award for each payment period in the student's program. The calculation for the payment period prorates a student's Scheduled Award based on weeks of instructional time most full-time students are attending and the credit/clock hours in the payment period as they compare to the defined academic year. The first step in determining the payment for a payment period involves prorating the student's Scheduled Award by the least of:

$$\frac{\text{Weeks* for a full-time student to complete hours in program}}{\text{Weeks* in program's academic year}}$$

or

$$\frac{\text{Weeks* for a full-time student to complete hours in academic year}}{\text{Weeks* in program's academic year (at least 30)}}$$

or

One

*These fractions use *weeks of instructional time* as defined in Chapter 1, which are not necessarily the same number as the calendar weeks in an academic year.

Requirements for using Formula 4

34 CFR 690.63(a) and (e)

All clock-hour and non-term credit-hour programs must use Formula 4.

Formula 4: 34 CFR 690.63(a)(4),(e) and (f)

Enrollment status standards for clock hour and other non-term programs

For non-term programs, the enrollment minimums are:

Full-time in credit hours: 24 semester hours, 24 trimester hours, or 36 quarter hours per academic year.

Less than 1/2-time status is defined as less than half of the workload of the minimum full-time requirement.

Full-time in clock hours: at least 24 clock hours per calendar week.

Coursework completion requirement & withdrawal/re-entry

Note that students in non-term programs must successfully complete a payment period to receive subsequent payments. This will be discussed in Volume 4 as one of the disbursement rules.

We'll discuss the effect of withdrawal and re-entry into a program in Volume 5.

Receiving less than the scheduled award due to crossover

A student may also receive less than a Scheduled Award *in an award year,* if the program crosses award years and the student's Pell Grant award in one of the award years is for a portion of the program that is less than a full academic year

Note that the result of this multiplication won't ever be greater than the Scheduled Award. Because the Scheduled Award is the amount for a full-time student, the numerators of the fractions use the weeks of instructional time needed for most full-time students to complete the lesser of the hours in the program or academic year. You must determine the weeks of instructional time it takes most full-time students to complete the hours in the program or the academic year.

The next step is to take into account the clock / credit hours in the payment period. To account for the hours, you must multiply the result of the first step by the following fraction, the result of which is the payment for the payment period.:

$$\frac{\text{Clock/credit hours in the payment period}}{\text{Clock/credit hours in the program's academic year}}$$

Payments for credit-hour non-term program (Formula 4)

Evers is enrolled at Tinkers Technical Institute (TTI) and has a Scheduled Award of $3,900. His program is 24 quarter hours and most full-time students complete the program in 20 weeks of instructional time. The academic year for the program is defined as 36 quarter hours and 30 weeks of instructional time. TTI has established two payment periods of 12 quarter hours and 10 weeks* each for Evers' program. To determine the disbursement for the payment period, TTI must first multiply the Scheduled Award by a fraction representing the proportion of weeks of instructional time for most full-time students to complete the hours in the program:

$$\frac{\text{20 weeks* in program}}{\text{30 weeks* in academic year}} \times \$3{,}900 = \$2{,}600$$

TTI then multiplies the result by a fraction representing the proportion of credit hours for the payment period compared to the academic year:

$$\frac{\text{12 quarter hours in payment period}}{\text{36 quarter hours in academic year}} \times \$2{,}600 = \$866.67$$

Evers' payment for the first payment period will be $866.67. Evers can receive this payment when he begins the program. Because students don't earn any of the 24 quarter hours until they complete the entire program, TTI can make the payments of $866.67 for the second payment period after TTI has determined that Allen has successfully completed 12 quarters hours and 10 weeks of instructional time of the program.

Payments for clock-hour program (Formula 4)

Chance is enrolled in a 650-clock-hour program at Tinkers Technical Institute (TTI) and is eligible for a Scheduled Award of $2,150. Most of the full-time students in the program finish it within 27 weeks of instructional time. TTI defines the academic year for the program based on the regulatory minimums: 900 clock hours and 30 weeks of instructional time. To calculate Chance's payment, TTI calculates the payment for each payment period as follows:

$$\frac{\text{27 weeks* in program}}{\text{30 weeks* in academic year}} \times \$2{,}150 = \$1{,}935$$

$$\frac{\text{325 clock hrs in payment period}}{\text{900 clock hours in academic year}} \times \$1{,}935 = \$698.75$$

*The fractions in these examples use *weeks of instructional time* as defined in Chapter 1, which are not necessarily be the same number as the calendar weeks in an academic year.

Chance's payment for the first payment period will be $698.75. She can get this payment when she begins the program. She can receive her second payment of $698.75 after she successfully completes the 325 clock hours in the first payment period.

FORMULA 5: CORRESPONDENCE STUDY

Formulas 5A & 5B are formulas that must be used for correspondence students. Because there are only a small number of Pell Grants made to correspondence students, the formula for correspondence study programs is covered in Appendix B of this chapter.

Scheduled Award limit and crossover payment periods

In most cases, the Pell Grant calculations assure that a student doesn't receive more than a Scheduled Award, but for some students, you will need to check the student's remaining eligibility before paying the student. In particular, if the student is attending more than an academic year's worth of courses in the same award year, the student could run out of eligibility for Pell. This most commonly happens with summer terms or crossover payment periods.
34 CFR 690.64

Alternate calculation that includes summer term

As noted earlier, if you're working with a standard-term program that meets the rules for Formula 1 or Formula 2, you may divide the annual award by the number of all the terms (including the summer term) in the award year. The advantages and disadvantages of this approach were discussed in the examples accompanying Formula 1.

SUMMER TERMS & OTHER "CROSSOVER PAYMENT PERIODS"

Payment periods don't always fall neatly into one award year or another. A new award year starts every July 1. When a payment period falls into two award years—that is, it begins before July 1 and ends on July 1 or later—it's called a "crossover payment period."

The formula for calculating the payment for a crossover payment period is the same as that for any other payment period in the award year. However, you must check the student's remaining eligibility if a student has already received payments for previous payment periods in the award year and the crossover period is assigned to the earlier award year.

Payment from either award year

You can make a payment for a crossover payment period out of either award year, if the student has a valid output document for the award year selected. However, if more than six months of the payment period is in a given award year, the Pell payment must be made from that award year.

The decision about which award year to use is usually based on the student's remaining eligibility in the earlier award year. You can assign the crossover payment period to either award year, on a student-by-student basis—you do not have to attribute the crossover period to a particular award year for all students. For instance, if a student had already been paid for two semesters as a full-time student for a full 30-week academic year in the 2004-2005 award year, the student would have been paid a full Scheduled Award for that year. In this case you might choose to pay the student for the crossover payment period out of the 2005-06 award year, provided the student is eligible for Pell based on a SAR or ISIR for that year (if the student attended part-time or didn't attend for a full academic year, the student might be eligible for at least a portion of the normal disbursement from the 2004-2005 award year for the crossover period).

You may also attribute the crossover payment period to a particular award year for all students enrolled in that period. For instance, you could attribute your summer session in 2006 to the 2005-06 award year for the purposes of all Pell payments for that period. However, if you attribute the crossover period to the 2005-06 award year for all students, you must pay Pell awards to all students enrolled in that payment period who have remaining Pell eligibility in the 2005-06 award year.

Term schools: using the right formula for summer session

If your school offers a summer term in addition to Fall through Spring terms that qualify for Formula 1 or 2, you will calculate the student's payment for the summer term using the same Formula that you used to calculate payments for the other terms in the award year to which the summer term is assigned. If you use Formula 3 for Pell Grant calculations in any of the terms in an award year, then you must use Formula 3 for *all* terms in that program that occur in that award year, including the fall through spring terms. (Note that if your program is a standard term program in the fall through spring and does not define full-time enrollment in the summer as at least 12 credit hours, you must use Formula 3 for Pell calculations for all terms in the award year.)

With regard to enrollment status, your school must apply its definition of full-time status for the summer term consistently for *all* FSA program purposes.

The cost of attendance for summer terms

Costs for summer terms are figured in the same way as for any other payment period; that is, the costs are based on a full academic year. If your school has fall and spring semesters that comprise an academic year, you can't add the costs for the summer term to the costs for the fall and spring semesters. The award for the summer term is still based on the costs for one academic year. However, if the

Scheduled Award limit for summer term

Peter enrolls three-quarter time in the fall, spring, and summer terms at Hildebrand University. His Scheduled Award is $3,000 and his three-quarter time annual award is $2,250. Using Formula 1, Hildebrand determines that Peter can receive $1,125 for each term.

For the fall and spring semesters, he'll receive a total of $2,250. If Hildebrand wants to pay him for summer from the 2005-2006 award year as well, it needs to see how much eligibility he has left. Subtracting the amount already received from the $3,000 Scheduled Award, Hildebrand discovers that Peter only has $750 of Pell eligibility left. Therefore, Peter can only receive $750, instead of $1,125, for the summer term.

As an alternative, Hildebrand could also pay Peter a full Pell disbursement for the summer term from the 2006-2007 award year, but that would reduce the amount of Pell that Peter could get for subsequent 06-07 terms. In the example below, Peter's 06-07 eligibility would be exhausted in the Spring term, since he will be attendiing full-time in Spring 2007, even though he qualified for a higher Scheduled Award in 06-07.

Option 1: Pay Summer from 05-06 Scheduled Award ($3,000)

Fall 05 = $1,125 (3/4-time)	Spring 06 = $1,125 (3/4-time)	Summer 06 = $750 (remaining eligibility)

Option 2: Pay Summer from 06-07 Scheduled Award ($3,200)

Summer 06 = $1,200 (3/4-time)	Fall 06 = $1,200 (3/4-time)	Spring 07 = $800 (remaining eligibility)

Minisession Enrollment Status - Example

Bob is enrolled in a summer session with 3 3-week minisessions that his school, Hawkeye University, has combined into 1 term. Hawkeye U. is using Formula 1 to calculate Bob's combined term, and knows as such they must define full-time enrollment as at least 12 credit hours, even though the individual component minisessions may have originally considered full-time to be something less than 12 credit hours. Bob is enrolled for 6 credits during the combined summer minisession term. Bob's enrollment status is equal to the proportion of his credits to the school's definition of full time for the combined term. Therefore, Bob should be credited with half time enrollment status for the combined summer term.

academic year definition includes the summer term, then the costs for the summer term *must* be included in the cost for a full academic year.

If the student was previously enrolled in the award year, you may be able to use the same cost of attendance for the summer term that it used for the immediately preceding term that the student attended. However, this isn't possible if the costs are different from the fall through spring such as a different tuition charge per credit hour or you are required to recalculate the cost of attendance. (See the end of this chapter for information on when recalculations are required.) If it's necessary to base the student's cost of attendance on the summer term, you must prorate the summer costs to establish the cost for an academic year. (See Chapter 2 on prorating costs in the Pell Grant program.)

If the summer session is the first term in the award year for that student (for example, your school is paying a student for the summer 2003 term from the 2003-2004 award year), you must establish the student's full-year cost based on the costs for the *summer* term. If the student enrolls in another term in that award year, you may have to recalculate the student's costs for the later term.

Summer minisessions

If a term-based school offers a series of minisessions that overlap two award years (by "crossing over" the June 30 end date for one award year), these minisessions may be combined and treated as one term. However, schools are not required to combine these minisessions.

When you combine minisessions into a single term (i.e. payment period), the weeks of instructional time in the combined term are the weeks from the beginning of the first minisession to the date the last minisession ends. The student's enrollment status for the entire payment period must be calculated based on the total number of credits the student is projected to take for all sessions. You must project the enrollment status for a student on the basis of the credits the student has:

- pre-registered or registered to take for all sessions,
- committed to take for all sessions in an academic plan or enrollment contract, or
- committed to take for all sessions in some other document.

When you combine the minisessions into a single term, a student cannot be paid more than the amount for one payment period for completing any combination of the minisessions.

If the minisessions are not combined into a single payment period, you must treat each minisession as a separate nonstandard term using Formula 3 to calculate Pell Grant awards. You also must use Formula 3 for each of the minisessions if your school doesn't define full-time attendance in each of the minisessions as at least 12 credit hours. (If you use Formula 3 for the crossover term,

Combined minisessions into standard term

Brian enrolls part time at Hildebrand University which defines its academic year as 24 semester hours and 30 weeks of instructional time. In addition to Fall and Spring semesters, Hildebrand offers three summer minisessions. Each minisession provides 4 weeks of instructional time. Hildebrand can either combine the minisessions into a single nonstandard term, or treat each session as a separate nonstandard term. The school chooses to combine the sessions into a single payment period providing 12 weeks of instructional time with full-time enrollment in this period defined as 12 semester hours. If Hildebrand meets the conditions for use of Formula 1 in its Fall and Spring semesters, it can use Formula 1 to calculate Pell payments for this summer session.

Session 1 (4 weeks)	Session 2 (4 weeks)	Session 3 (4 weeks)

Summer Term
(12 weeks, 12 hours full/time)

Brian enrolls for 3 semester hours in each of the minisessions, so he's enrolled three-quarter time (9 hours total in the combined term). His Scheduled Award is $3,500 and his annual award (from the 3/4-time disbursement schedule) is $2,475. To calculate Brian's payment, Hildebrand simply divides the annual award by 2, the number of terms in the fall through spring: $2,475 /2 = $1,237.50.

Brian can receive $1,237.50 for the combined summer session if it's the first term of the award year. If he received payments for the fall and spring semesters from the same award year, the school would need to check his remaining eligibility to see how much he could be paid for the summer session. (See the earlier example of the Scheduled Award limit for a summer term.)

Minisessions treated as non-standard terms

Suppose Hildebrand didn't combine these minisessions. If it defined full-time enrollment for each 4-week minisession as less than 12 semester hours, it would have to calculate *all* Pell payments for the program using Formula 3. Because these are nonstandard terms, Hildebrand would have to determine Brian's enrollment status for each mini-session by prorating the standard for full-time enrollment in a full academic year (24 semester hours):

$$24 \text{ semester hours} \times \frac{4 \text{ weeks* in term}}{30 \text{ weeks* in academic year}} = 3.2 \text{ semester hours (round up to 4**)}$$

For each of the 4-week terms, a full-time student must enroll in 4 semester hours, and based on that standard, the 3 semester hours that Brian is attending in each minisession counts as 3/4 time enrollment status. Note that Hildebrand would use the Pell cost of attendance for a full-time student attending a full academic year. Hildebrand would determine his payment for each minisession (assuming his Scheduled Award remains unchanged across both award years) using the following calculation:

$$\frac{4 \text{ weeks* in term}}{30 \text{ weeks* in academic year}} \times \$2{,}475 = \$330.00$$

Brian would receive $330 for each of the minisessions, for a total of $990 for the summer. Again, these payments for one or more minisessions that are in the prior award year may need to be reduced if Brian had previously received payments for the fall and spring semesters in the same award year.

** since Hildebrand only offers courses in whole credits

*These fractions use *weeks of instructional time* as defined in Chapter 1, which are not necessarily the same number as the calendar weeks in an academic year.

Transfer student cites
34 CFR 690.65
Mid-year transfer
"Dear Colleague" Letter GEN-00-12
Percent of remaining eligibility
34 CFR 690.65(d)

NSLDS Financial Aid History and Transfer Monitoring
Before disbursing FSA funds to a transfer student, you must obtain a financial aid history for the student and you must inform NSLDS about the transfer student so that you can receive updates through the Transfer Student Monitoring Process.
The financial aid history will not only identify Pell Grant disbursements that the student received at other schools, but tell you if the student is ineligible for any FSA aid due to default or overpayment, or if the student has reached annual or aggregate limits for Stafford loans. See Volume 1, Chapter 3, for a more detailed discussion of these requirements.

Why percentages are used
The reason for using percentages is that a transfer student may have different Scheduled Awards, for example, the costs of attendance at the two schools may be different. The percentages are also used to compare the portions of a student's total eligibility that have been used at both schools. (If the student's Scheduled Award is the same at both schools, the financial aid administrator can find the amount of the student's remaining eligibility simply by subtracting the amount received at the first school from the Scheduled Award.)

remember that you must also use it for all other terms in the award year, including Fall through Spring.)

If the minisessions are combined in a single term and a student does not begin attendance in all of the mini-sessions, recalculation of prior disbursements is required based on the resulting changed enrollment status as discussed later in this chapter.

TRANSFER STUDENTS

The Pell payment for a transfer student is calculated in the same way as for any new student. That is, you must calculate payments for each payment period following the rules given in this chapter. However, a transfer student's remaining Pell eligibility is reduced if the student received Pell funds for the same award year at any prior schools. You can identify the student's prior Pell disbursements when you review his or her Financial Aid History in NSLDS (see sidebar).

Calculating remaining eligibility

Once you've identified the Pell amounts that a transfer student has already received for the ongoing award year, you must calculate the percentage of the Scheduled Award that has been used. This percentage is calculated by dividing the amount disbursed at the previous school by the student's Scheduled Award at that school.

$$\frac{\text{Pell disbursed at prior school}}{\text{Scheduled Award at prior school}} = \text{\% of Scheduled Award used}$$

Then subtract this percentage from 100%. The result is the maximum percentage of the Scheduled Award that the student may receive at your school.

Note that a transfer student receives the same payments as any other student until the limit (100% of a Scheduled Award) is reached. You give the student the full amount for each payment period, rather than trying to ration the remaining amount by splitting it evenly across the remaining terms.

Payment period for a transfer student at a non-term school

When a student transfers into a non-term credit hour or clock-hour program at a new school, that student is starting a new payment period. For non-term programs, you must use the payment period rules described in Chapter 1 to determine the payment periods for the remainder of the student's program.

However, for a transfer student, the length of the program is the number of clock hours or credit-hours and the number of weeks, that the student will be required to complete in the new program. If the remaining hours in a clock hour program are half an academic year or less, then the remaining hours constitute one payment period. For a non-term credit hour program, if the remaining credit hours *or weeks* are half an academic year or less, then the remaining hours and weeks constitute one payment period.

Retaking Coursework

For term-based credit-hour programs, students may generally receive FSA funds for retaking coursework and the credits may be included in the total number of credits that the student is taking when determining enrollment status as long as your school allows students to receive credit for the repeated course and the student is making satisfactory academic progress.

The treatment of repeated coursework is different for students in nonterm credit hour and clock hour programs. For more details and examples on retaking coursework, see the full discussion in Volume 4, chapter 2, Retaking Coursework.

Transfer student example (calculating remaining eligibility)

Luna attends fall and winter terms at Lewis College in St. Louis using nonstandard terms. She then transfers to Clark University in Omaha for the spring semester. The aid administrator at Clark University checks NSLDS, which shows that Luna received $1,003 in Pell payments and had a $1,700 Scheduled Award. Luna is eligible for a $2,100 Scheduled Award at Clark. To determine how much Luna can be paid, the aid administrator at Clark first figures out what percentage of the Scheduled Award she received at her first school:

$$\frac{\$1{,}003 \text{ disbursed at Lewis}}{\$1{,}700 \text{ Scheduled Award at Lewis}} = 59\%$$

Subtracting this percentage from 100%, the aid administrator finds that Luna is eligible for 41% of her Scheduled Award at Clark. The Scheduled Award is multiplied by this percentage to find the dollar amount of Luna's remaining eligibility.

$$41\% \times \$2{,}100 \text{ Scheduled Award} = \$861 \text{ remaining Pell eligibility}$$

A student with a $2,100 Scheduled Award would ordinarily receive a $1,050 payment for one semester (if enrolled full-time). However, Luna can't be paid more than $861, because she has received 59% of the

Transfer student example

Dmitri transfers to Bylsma Conservatory during the award year and enrolls for two terms. He would ordinarily receive a $500 payment for each term. However, his remaining eligibility, based on payments at the previous school, is only $600. Rather than "rationing" this amount by splitting it into two $300 payments for the two terms, Bylsma must pay Dmitri $500 for the first term and the remainder ($100) for the second term in accordance with the requirements for calculating the payment for the payment period. This way, Dmitri will receive the full payment he's entitled to for the first term, even if he doesn't return for the second term.

RECALCULATIONS

In certain cases, you may have to recalculate the student's Pell Grant after the initial calculation or disbursement, to account for changes to the student's costs, EFC, or enrollment status.

Change in the EFC (recalculation required)

If the student's EFC changes due to corrections, updating, or an adjustment, and the EFC change would change the amount of the Pell award, you must recalculate the Pell award for the entire award year. If, as a result of the recalculation, the student has received more than his or her award amount, then the student has received an overpayment. In some cases, you may be able to adjust an award by reducing or canceling later payments to the student in the same award year. However, if the overpayment can't be eliminated, you must follow the procedures in Volume 5 of the *FSA Handbook*.

A student selected for verification can't *increase* his or her eligibility based on a corrected output document that you receive during the "verification extension" (120 days after the student's last day of enrollment, not to extend beyond the deadline date established by a Federal Register notice). For example, if the student submits a reprocessed SAR during the extension period and the SAR has a lower EFC than the previous SAR (increasing the student's eligibility), you may not recalculate the student's Pell Grant based on the later SAR. The student would be paid based on the *higher* EFC on the SAR that was submitted earlier. However, if the corrections *reduce* the student's eligibility (that is, if the reprocessed SAR had a higher EFC), then the award must be calculated based on the reprocessed SAR.

Changes to the EFC

There are three ways that a student's EFC can change:

1. *Corrections.* The student may have to correct a mistake that was reported on the original FAFSA or SAR/ISIR. This frequently occurs as a result of verification, but it may also be a result of the student's own review of the SAR/ISIR.

2. *Updating.* In some cases, a student is required to update changes to dependency status, household size, and the number in college (see the *Volume I: Student Eligibility* for details).

3. *Professional judgment.* You may, on a case-by-case basis, adjust one or more of the data elements used to calculate the EFC. In some cases, you might make an adjustment during the award year to reflect a student's changed circumstances. For example, if a wage-earning parent dies after the student's first semester, you could adjust the adjusted gross income in the EFC formula to reflect the loss of income. You may also determine that a dependent student should be considered independent.

If the student has already been paid based on the original EFC, the award will have to be recalculated.

Change in enrollment status between terms (recalculation required)

In a term program that uses credit hours, you must calculate a student's payment for each term based on the enrollment status for that term. If a student attended full time for the first term and then enrolled half time in the second term, you must use the half-time enrollment status to calculate the student's payment for the second term.

Student doesn't begin attendance in all classes within a term (recalculation required)

If the student doesn't begin attendance in *all* of his or her classes, resulting in a change in the student's enrollment status, you must recalculate the student's award based on the lower enrollment status. A student is considered to have begun attendance in all of his or her classes if the student attends at least one day of class for each course in which that student's enrollment status was determined for Federal Pell Grant eligibility. Your school must have a procedure in place to know whether a student has begun attendance in all classes for purposes of the Federal Pell Grant Program. The Department does not dictate the method a school uses to document that a student has begun attendance. However, a student is considered not to have begun attendance in any class in which the school is unable to document that attendance.

Change in enrollment status within a term (optional recalculations)

The regulations don't require any recalculation for changes in enrollment status after the student has begun attendance in all of his or her classes. However, your school can have a policy of recalculating an award if a student's enrollment status changes within a term. If such a policy is established, it must be applied consistently to all students: For example, if the school chooses to recalculate for a student whose enrollment status increases from half-time to full-time, it must also recalculate for a student whose enrollment status decreases. If the school establishes a policy allowing optional recalculations for an educational program, this policy must be in writing.

Your school's policy may set a date after which Pell Grants will not be recalculated for enrollment status changes. For example, a school can establish a policy that it will recalculate Pell awards only for enrollment changes that occur up to the "add / drop" date of a term. Note that in the case of a term with compressed coursework, the initial calculation of a student's Pell Grant may occur subsequent to the "add / drop" date of the term. You must use the student's effective enrollment status on the date of the initial calculation, and there would be no recalculations of the student's Pell Grant for the term due to a subsequent change in enrollment status. If the student's payment for the term is being disbursed in a subsequent payment period, you may pay the student only for the coursework completed in the term.

SAR/ISIR with different EFC

If you receive a SAR or ISIR with an EFC different from the one you used for the payment calculation, you must first decide which document is valid. If the new information is the valid information, in most cases you must recalculate the student's Pell award for the entire award year based on the new EFC.

Enrollment change: required recalculation example

Edmund registers for a full-time course load (15 credit hours), and Hart University makes a first-term disbursement on that basis 10 days before the term starts. When the term starts, Edmund only begins attendance in three classes (9 credit hours). Hart must recalculate Edmund's Pell award based on the lower enrollment status. Any difference between the amount Edmund received and his new recalculated award is an overpayment.

See Volume 5 for a discussion of overpayments.

Enrollment change within payment period example

Emma registers for a full-time course load at Woodhouse College, and Woodhouse initially calculates a full-time award for her. She begins attending all of her classes but subsequently drops to half-time. Depending on Woodhouse's recalculation policy, Emma may still be paid based on full-time enrollment as long as she's otherwise eligible for payment. On the other hand, if Woodhouse did not receive Emma's first processed SAR or ISIR with an official EFC until after she dropped to half-time enrollment, the Pell initial calculation would be based on her enrollment status at the time the output document was received (half-time).

Initial Calculation

An initial calculation is the first calculation that is made on or after the date the school has received the student's initial SAR or ISIR with an official EFC and uses the enrollment status at the time of the initial calculation. If you've estimated the student's eligibility prior to receiving a SAR or ISIR for the student, you must confirm that prior estimated eligibility or determine the student's eligibility at the time the SAR or ISIR is received.

You should document the date that you initially calculate a student's Pell Grant. The earliest date is the date of receipt of the SAR or ISIR (assuming the institution has a documented or projected enrollment status for the student). If you fail to document the date of the initial calculation, you must use the later of (a) the date that the SAR or ISIR is first received and the student's enrollment status as of that date or (b) the date the student enrolls.

Your school is considered to have received the ISIR on the date it was processed. This date is labelled "Processed Date" on the ISIR. In the case of a SAR, your school is considered to have received it on the date processed unless you document a later date. The processing date on a SAR is the date above the EFC and, on a SAR Acknowledgment, the "Transaction Processed Date."

In the case of programs offered with compressed coursework or modules within the terms, the school may adopt a policy of setting the date based on the add/drop date of the last class in which the student enrolls, or is expected to enroll, for the term. In this circumstance, the school must take into account all adjustments to the enrollment status, both increases and decreases, up to the add/drop date of the student's last class.

If a school doesn't establish a policy for recalculation within a term, a student who begins attendance in all classes would be paid based on the initial calculation, even if his or her enrollment status changes before the disbursement is made.

If the student withdraws from all of his or her classes (or doesn't begin attending any classes), you must follow the procedures discussed in Volume 5.

Change in cost of attendance (recalculation required if you are recalculating for an enrollment status changes; otherwise optional)

You're not required to recalculate Pell awards for cost changes during the award year. For instance, if the student gets accepted into on-campus housing after the fall term and your student budget for on-campus housing is lower, you're not required to recalculate the student's Pell award. If you choose to recalculate for changes in costs, you have to consistently apply that recalculation policy.

If you recalculate a Pell award because the student's enrollment status has changed, you must also take into account any changes in the student's costs at that time. For example, if a student enrolls full time for the first semester and then drops to less than 1/2-time during that semester, the student's costs will change, because only certain cost components are allowed for less than 1/2-time students. If your school's policy is to recalculate for the enrollment change, you must use the cost for a less-than-half-time student *for a full year* to calculate the student's less-than-half-time award. You must not combine the two costs or average them.

COA changes between payment periods

A school may have a policy of recalculating awards when the cost of attendance changes from one payment period to the next—for example, because of changes to the student's tuition and fee costs, or because a student's living situation changes (such as when a student moves off campus). Schools also have the option to establish a policy to recalculate financial aid awards when a student's costs change *within* an award year, as long as the recalculation policy is carried out for all students whose costs change.

COA changes within a payment period

You may establish a policy of recalculating for cost changes from one payment period to the next, and at the same time, have a policy not to recalculate for cost changes *within* a payment period. You also have the option to establish a policy to recalculate financial aid awards when a student's costs change within a payment period. For instance, if a student with no dependents moves from a dormitory to off-campus housing at midterm, the school may wish to recalculate the student's award for that payment period.

For Pell purposes, such a policy is acceptable if its carried out for all students whose costs change within the payment period. Note that a school can establish a policy of recalculating for cost changes from one payment period to the next, and at the same time, have a policy not to recalculate for cost changes within a payment period.

You may not recalculate the payment for a payment period that took place *before* the cost change. For instance, in the example above, if the student lives in the dormitory during the first quarter and then moves off campus for the second and third quarters, the recalculation would only affect the payments for the second and third quarters.

APPENDIX A

FORMULA 2: CALCULATIONS FOR STANDARD TERM PROGRAMS WITH LESS THAN 30 WEEKS IN FALL THROUGH SPRING

The regulations provide an option for standard-term programs whose fall through spring terms provide less than 30 weeks of instructional time. Formula 2 may be advantageous for your summer term calculations. You may use Formula 2 if the program:

- has an academic calendar that consists of two semesters or trimesters (in the fall through the following spring) or three quarters (in the fall, winter, and spring)
- does not have overlapping terms, and measures progress in credit hours
- measures progress in credit hours and defines full-time enrollment for each term in the award year as at least 12 credit hours.

Using Formula 2
34 CFR 690.63(a)(2), 690.63(c)

Formula 2 Alternative Calculation
Under Formula 2, you can perform the same alternate calculation as performed under Formula 1 if the weeks of instructional time in the defined academic year are the same as the total number of weeks of instructional time in all the terms in the award year. See the example for alternate calculation under the discussion of formula 1 earlier in this chapter.

Formula 2: calculation for standard terms with Fall through Spring terms < than 30 weeks

The regulations offer an alternative formula for standard term programs with Fall through Spring standard terms that provide less than 30 weeks of instructional time. The significant effect of this formula is to allow you to pay the same Pell amount for the Summer term as you would for one of your traditional Fall through Spring terms. To use this formula, the program must have two semesters or trimesters (in the fall through the following spring) or three quarters (in the fall, winter, and spring), with no overlapping terms, and define full-time enrollment for each term in the award year as at least 12 credit hours.

Let's take the example of Emma, who is attending Woodhouse College (WHC), which has Fall and Spring semesters of 14 and 15 weeks, and a summer term of 10 weeks. WHC defines the academic year of Emma's program as 24 semester hours and 30 weeks.* Her Scheduled Award is $3,300, and she is attending as a full-time student. Because the Fall and Spring terms provide less than the minimum 30 weeks of instructional time for an academic year, Emma's full-time award is prorated as follows:

$$\frac{\text{29 weeks* in term**}}{\text{30 weeks* in academic year}} \times \$3{,}300 = \$3{,}190$$

This prorated amount is then divided by the number of terms: $\frac{\$3{,}190}{2} = \$1{,}595$

Emma will receive $3,080 for her attendance in both semesters. Note that this is less than her Scheduled Award; she may be able to receive the remaining $220 if she enrolls in a summer term.

The difference between Formula 2 and Formula 3 lies in whether you must make a separate calculation for each term. Under Formula 2, you do not have to perform a separate calculation based on the length of each term. Emma's Pell eligibility as a full-time student would be $1,595 under Formula 2. If Woodhouse used Formula 3, the annual award would be prorated based on the length of each term: 14 weeks (14/30), 15 weeks (15/30), and 10 weeks (10/30), and Emma's eligibility would be $1540, $1650, and $1100 respectively.

Emma only has $110 in remaining Pell eligibility for the summer term under both formulas. Her summer payment would only be different for each formula if Woodhouse chose to pay the summer term out of the subsequent award year. (Note that Emma's Scheduled Award and her summer payment would then be based on the EFC for the following award year.)

*These fractions use *weeks of instructional time* as defined in Chapter 1, which are not necessarily the same number as the calendar weeks in an academic year.
**Fall through spring.

APPENDIX B

FORMULA 5: CALCULATIONS FOR CORRESPONDENCE STUDY PROGRAMS

Students enrolled in correspondence courses are eligible for aid under FSA Programs only if the courses are part of a program leading to an associate, a bachelor's, or a graduate degree. Also, to be eligible, a correspondence program must meet the criteria for an eligible program (see the *FSA Handbook: Institutional Eligibility and Participation [Volume 2]*).

PELL COST OF ATTENDANCE

The cost of attendance for correspondence programs is limited to tuition and fees, and in certain cases, books and supplies. Traditionally, books and supplies have been included as part of the correspondence program's tuition. If books and supplies are not included in the program's tuition, they may be counted as costs, for either a residential or nonresidential period of enrollment. As always, the cost of attendance must be based on the costs for a full-time student for a full academic year for the relevant component (for correspondence COA, there would be no room and board, etc). If the student's program or period of enrollment, as measured in credit hours, is longer or shorter than an academic year as measured in credit hours, the tuition and fees for the program or enrollment period must be prorated. Because the correspondence study cost of attendance for the nonresidential component only includes costs associated with credit hours, your school always uses the credit hour-related fraction to prorate the cost of attendance as follows (because there are no costs associated with weeks of instructional time in the correspondence cost of attendance, your school has to prorate the cost only if the number of hours in the program is shorter or longer than in an academic year):

$$\frac{\text{Credit hours in program's definition of an academic year}}{\text{Credit hours to which the costs apply}}$$

The resulting amount is the full-time, full-academic-year cost used for calculating Pell Grant eligibility. When there is a residential portion in a correspondence student's program, Formula 3 or 4 (whichever applies) is used to calculate the student's payment for a payment period for a residential portion. Refer to Formula 3 or 4 guidelines, including cost of attendance determinations, for this circumstance.

PELL ENROLLMENT STATUS

Students enrolled in programs of correspondence study are considered to be no more than half-time students, even if they're enrolled in enough coursework to be full time. However, if the correspondence study is combined with regular coursework, the student's enrollment status might be more than half time.

Correspondence program highlights

- → Pell cost of attendance limited to tuition and fees (and in some cases, books and supplies)
- → The enrollment status for correspondence students can never be more than 1/2-time
- → The enrollment status for a student who is taking both correspondence and regular coursework may be greater than 1/2-time
- → Timing of payments within payment periods is different for correspondence students
- → Formula 5A or 5B used to calculate awards for correspondence students

Enrollment status cites for correspondence

Term classes — 34 CFR 690.66(c)(2)
Combined with regular study — 34 CFR 690.8

Academic coursework

The term academic coursework does not necessarily refer to credits. If a student does not earn any creditrs until the end of the program, it may refer to the lessons or other measures of learning within a course or a program. For instance, if a course or program is made up of 40 equal lessons, the student reaches the halfway point as follows:

- If the student successfully completes the first 20 lessons before the calendar midpoint of the academic year, the second payment period does not begin until the calendar midpoint.
- If the student completes the first half of the academic year before successfully completing the first 20 lessons, the second payment period does not begin until the student successfully completes the first 20 lessons.

Annual award

The annual award for a student in a nonterm correspondence program is always taken from the half-time Disbursement Schedule because a correspondence student can't receive more than half a Scheduled Award. For a student in a term correspondence program, the annual award is determined from the half-time Disbursement Schedule or the less-than-half-time Disbursement Schedule, as appropriate.
34 CFR 668.4(a)(1) and (2)
34 CFR 690.66(a)(1) and (2)

A student enrolled only in a nonterm correspondence program always has his/her award calculated based on the half-time Disbursement Schedule. For a student enrolled in a term-based correspondence program, your school must determine whether the student is enrolled half time (6 or more credit hours in a term) or less than half time (less than 6 credit hours in a term). Special rules are used to determine the student's enrollment status when the student is enrolled in a combination of regular and correspondence coursework.

Correspondence Payment Periods Cites
Nonterm — 34 CFR 690.66(b)
Term — 34 CFR 690.66(c)(4)

PAYMENT PERIODS & TIMING OF PAYMENTS

For a *non-term* correspondence program, there must be two equal payment periods in each academic year. Each payment period is the lesser of half the academic year or half the program (measured in credit hours). In addition, you can't disburse a Pell payment for the first payment period until the student has completed 25% of the work in the academic year or the program, whichever is shorter. It can't make the second payment until the student has completed 75% of the work in the academic year or program.

For a *term*-based correspondence program, as for other term-based programs, the payment period is the term. However, you can't disburse the Pell for a payment period until the student has completed 50% of the lessons or completes 50% of the work for the term, whichever is later.

If the correspondence program has a required period of *residential training*, you must treat the residential training as an additional payment period and determine the payment for that payment period using either Formula 3 or Formula 4. Note that the correspondence portion of the program is still treated as a separate portion of the program that's divided into two equal payment periods.

PELL CALCULATIONS IN CORRESPONDENCE PROGRAMS

Formula 5 is used for students enrolled only in correspondence courses (not including residential components of correspondence programs). There are two versions of Formula 5: Formula 5A (which is similar to Formula 4) is used for nonterm programs, and Formula 5B (which is similar to Formula 3) is used for term-based programs. For a residential component of a correspondence program, your school must use either Formula 3 or Formula 4. If the residential component is a term, your school uses Formula 3; otherwise, it uses Formula 4.

For nonterm correspondence programs, this step of the calculation is similar to the step under Formula 4. For term correspondence programs, this step is the same as under Formula 3.

For the Pell calculation, you are required to determine the number of weeks of instructional time in the program by preparing a written schedule for the lessons that the student will submit. A nonterm correspondence program must require at least 12 hours of preparation per week. A term-based correspondence program must require at least 30 hours of preparation per semester hour or at least 20 hours of preparation per quarter hour during the term.

Nonterm correspondence program—Formula 5A

You first multiply the annual award (taken from the half-time disbursement schedule) by the least of:

$$\frac{\text{Weeks* for a student to complete credit hours in program}}{\text{Weeks* in program's academic year definition}}$$

or

$$\frac{\text{Weeks* for a student to complete credit hours in academic year}}{\text{Weeks* in program's academic year definition}}$$

or

One

You then multiply the result by the following fraction:

$$\frac{\text{Credit hours in a payment period}}{\text{Credit hours in program's academic year definition}}$$

Term correspondence program—Formula 5B

You multiply the annual award (taken from the half-time or less-than-half-time Disbursement Schedule) by the weeks of instructional time in the term divided by the weeks in the academic year:

$$\frac{\text{Weeks* in term}}{\text{Weeks* in program's academic year definition}}$$

A single disbursement for a payment period can never be more than 50% of the annual award. If the resulting amount is more than 50% of the annual award, your school must make the payment in at least two disbursements in that payment period. You may not disburse an amount that exceeds 50% of the annual award until the student has completed the period of time in the payment period that equals 50% of the weeks of instructional time in the program's academic year definition.

***Note: The fractions on this page use *weeks of instructional time* as defined in Chapter 1, which are not necessarily the same number as the calendar weeks in an academic year.**

Correspondence Multiple Formulas Exception

If a correspondence student has one or more payment periods in an award year that contain only correspondence study and one or more payment periods in the same award year that contain a residential portion, your school would use two different formulas for determining a student's payment for each payment period. This instance is the only one in which a school would use two different Pell formulas within the same award year for students in the same program.

APPENDIX C

FORMULA SUMMARIES

Formula 1 Summary

Standard-term, credit-hour programs, with 30 weeks of instructional time (or waiver applies)

- *Enrollment for at least 12 credit hours each term required for full-time status*
- *Program terms don't overlap*
- *Academic calendar includes 2 semesters/trimesters (fall and spring) or 3 quarters (fall, winter, and spring)*
- *Fall through spring terms equal at least 30 weeks of instructional time, or at least 26 weeks of instructional time if the program was granted a waiver of the minimum 30-week academic year requirement*

Step 1: Determine Enrollment Status

Full time, three-quarter time, half time, or less than half time

Step 2: Calculate Pell COA

Full time, full academic year costs

Step 3: Determine Annual Award

If the student's enrollment status is full time, the annual award is taken from the full-time Payment Schedule (Scheduled Award). If the student's enrollment status is 3/4-time, 1/2-time, or less than 1/2-time, the annual award is taken from the appropriate part-time Disbursement Schedule.

Step 4: Determine Payment Periods

Payment period is the academic term.

Step 5: Calculate Payment for a Payment Period

$$\frac{\text{Annual award}}{\text{Number of payment periods in the program's academic year definition}}$$

OR

For alternate calculation:

$$\frac{\text{Annual Award}}{\text{Number of terms in the award year}}$$

Formula 2 Summary

Standard-term, credit-hour programs, with fewer than 30 weeks of instructional time, and waiver does not apply
- *Enrollment for at least 12 credit hours each term required for full-time status*
- *Program terms don't overlap*
- *Academic calendar includes 2 semesters/trimesters (fall and spring) or 3 quarters (fall, winter, and spring)*
- *Fall through spring terms are less than 30 weeks of instructional time*

Step 1: Determine Enrollment Status

Full time, three-quarter time, half time, or less than half time

Step 2: Calculate Pell COA

Full time, full academic year costs

Cost for fall through spring terms prorated. If fall through spring terms provide the same number of credit hours as are in the academic year definition, prorated COA is the same as nonprorated COA.

Step 3: Determine Annual Award

If the student's enrollment status is full time, the annual award is taken from the full-time Payment Schedule (Scheduled Award). If the student's enrollment status is 3/4-time, 1/2-time, or less than 1/2-time, the annual award is taken from the appropriate part-time Disbursement Schedule.

Step 4: Determine Payment Periods

Payment period is the academic term

Step 5: Calculate Payment for a Payment Period

Proration required unless alternate calculation is used

$$\text{Annual award} \times \frac{\text{Weeks of instructional time in fall through spring terms}}{\text{Weeks of instructional time in program's academic year definition}} \div \begin{array}{c}\text{2 (if semesters or trimesters)} \\ \textbf{OR} \\ \text{3 (if quarters)}\end{array}$$

OR

For alternate calculation:

$$\frac{\text{Annual award}}{\text{Number of terms in the award year}}$$

Formula 3 Summary

Any term-based, credit-hour programs; may include those qualifying for Formulas 1 and 2

Step 1: Determine Enrollment Status

Full time, three-quarter time, half time, or less than half time

Step 2: Calculate Pell COA

Full time, full academic year costs

Cost for program or period not equal to academic year prorated. Two fractions compared:

$$\frac{\text{Hours in program's definition of academic year}}{\text{Hours to which the costs apply}}$$

$$\frac{\text{Weeks of instructional time in program's definition of academic year}}{\text{Weeks of instructional time in the enrollment period to which the costs apply}}$$

The entire cost is multiplied by the lesser of the two fractions to determine Pell COA.

Step 3: Determine Annual Award

If the student's enrollment status is full-time, the annual award is taken from the full-time Payment Schedule (Scheduled Award). If the student's enrollment status is 3/4-time, 1/2-time, or less than 1/2-time, the annual award is taken from the appropriate part-time Disbursement Schedule.

Step 4: Determine Payment Periods

Payment period is the academic term

Step 5: Calculate Payment for a Payment Period

$$\text{Annual award} \times \frac{\text{Weeks of instructional time in the term}}{\text{Weeks of instructional time in program's academic year definition}}$$

A single disbursement can't exceed 50% of the annual award

Formula 4 Summary

Clock-hour programs and credit-hour programs without terms, residential portion of nonterm correspondence progrms.

Step 1: Determine Enrollment Status

At least half time or less than half time

Step 2: Calculate Pell COA

Full time, full academic year costs

Cost for program or period not equal to academic year prorated. Two fractions compared:

$$\frac{\text{Hours in program's definition of academic year}}{\text{Hours to which the costs apply}}$$

$$\frac{\text{Weeks of instructional time in program's definition of academic year}}{\text{Weeks of instructional time in the enrollment period to which the costs apply}}$$

The entire cost is multiplied by the lesser of the two fractions to determine Pell COA.

Step 3: Determine Annual Award

Always taken from full-time Payment Schedule (equal to Scheduled Award)

Step 4: Determine Payment Periods

Length of payment period measured in credit or clock hours

Minimum of 2 equal payment periods required for programs shorter than an academic year, or 2 equal payment periods in each full academic year (or final portion longer than half an academic year) for programs longer than or equal to an academic year.

Step 5: Calculate Payment for a Payment Period

Annual award is multiplied by two fractions :

(1) Annual award x the least of:

$$\frac{\text{Weeks of instructional time for a full-time student to complete hours in program}}{\text{Weeks of instructional time in program's academic year definition}}$$

OR

$$\frac{\text{Weeks of instructional time for a full-time student to complete hours in academic year}}{\text{Weeks of instructional time in program's academic year definition}}$$

OR

One (1)

(2) the results of (1) are multiplied by:

$$\frac{\text{Clock/credit hours in payment period}}{\text{Clock/credit hours in program's academic year definition}}$$

A single disbursement cannot exceed 50% of the annual award.

Formula 5A Summary

Correspondence programs nonterm correspondence component. For residential portion, use Formula 4 to calculate payment periods and amounts. The schedule for the submission of lessons must reflect a workload of at least 12 hours of preparation per week of instructional time

Step 1: Determine Enrollment Status

Enrollment status is never more than half time

Step 2: Calculate Pell COA

Full time, full academic year costs (for applicable components)

Cost for program or enrollment period not equal to academic year prorated according to the following formula:

For tuition and fees:

$$\text{Costs} \times \frac{\text{Credit hours in program's definition of academic year}}{\text{Credit hours to which costs apply}}$$

Step 3: Determine Annual Award

Annual award taken from half-time Disbursement Schedule

Step 4: Determine Payment Periods

Length of payment period measured in credit hours

First payment period is the period of time in which the student completes the lesser of the first half of the academic year or the first half of the program. (First payment may be made only after the student has completed 25% of lessons or otherwise completed 25% of the work scheduled, whichever comes last.)

Second payment period is the period of time in which the student completes the lesser of the second half of the academic year or the second half of the program. (Second payment may be made only after the student has submitted 75% of lessons or otherwise completed 75% of the work scheduled, whichever comes last.).

Step 5: Calculate Payment for a Payment Period

Annual award is multiplied by two fractions:

1) Annual award x the least of

$$\frac{\text{Weeks of instructional time for a student to complete credit hours in program}}{\text{Weeks of instructional time in program's academic year definition}}$$

OR

$$\frac{\text{Weeks of instructional time for a student to complete credit hours in academic year}}{\text{Weeks of instructional time in program's academic year definition}}$$

OR

1 (one)

Note: A single disbursement can't exceed 50% of the annual award.

(2) The results of (1) are then multiplied by

$$\frac{\text{Credit hours in a payment period}}{\text{Credit hours in program's academic year definition}}$$

Formula 5B Summary

Programs of study by correspondence, term correspondence component. During each term, the written schedule for the submission of lessons must reflect a workload of at least 30 hours of preparation per semester hour or at least 20 hours of preparation per quarter hour.

Step 1: Determine Enrollment Status

Enrollment status is never more than half time

Step 2: Calculate Pell COA

Full time, full academic year costs (for applicable components)

Cost for program or enrollment period not equal to academic year prorated according to the following formula:

For tuition and fees:

$$\text{Costs} \times \frac{\text{Credit hours in program's definition of academic year}}{\text{Credit hours to which costs the apply}}$$

Step 3: Determine Annual Award (see Appendix B for more detail)

Annual award taken from half-time or less-than-half-time Disbursement Schedule

Step 4: Determine Payment Periods

Length of payment period is the academic term.

Step 5: Calculate Payment for a Payment Period

Annual award x

$$\frac{\text{Weeks of instructional time in the term}}{\text{Weeks of instructional time in program's academic year definition}}$$

When there is a residential portion in a term-based correspondence program, Formula 3 is used to calculate the student's payment for a payment period for the residential portion.

A single disbursement can't exceed 50% of the annual award.

Full Time

Federal Pell Grant Program

Regular Payment Schedule for Determining

Full-Time Scheduled Awards in the 2005-2006 Award Period

January 2005

$4,050 Maximum

Cost of Attendance	Expected Family Contribution 0 To 0	1 To 100	101 To 200	201 To 300	301 To 400	401 To 500	501 To 600	601 To 700	701 To 800	801 To 900	901 To 1000	1001 To 1100	1101 To 1200	1201 To 1300	1301 To 1400	1401 To 1500	1501 To 1600	1601 To 1700	1701 To 1800	1801 To 1900	1901 To 2000	2001 To 2100	2101 To 2200	2201 To 2300	2301 To 2400	2401 To 2500	2501 To 2600	2601 To 2700	2701 To 2800	2801 To 2900	2901 To 3000	3001 To 3100	3101 To 3200	3201 To 3300	3301 To 3400	3401 To 3500	3501 To 3600	3601 To 3700	3701 To 3800	3801 To 3850	3851 To 99999
0 - 199	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
200 - 299	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
300 - 399	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
400 - 499	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
500 - 599	550	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
600 - 699	650	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
700 - 799	750	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
800 - 899	850	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
900 - 999	950	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1000 - 1099	1050	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1100 - 1199	1150	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1200 - 1299	1250	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1300 - 1399	1350	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1400 - 1499	1450	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1500 - 1599	1550	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1600 - 1699	1650	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1700 - 1799	1750	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1800 - 1899	1850	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1900 - 1999	1950	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2000 - 2099	2050	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2100 - 2199	2150	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2200 - 2299	2250	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2300 - 2399	2350	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2400 - 2499	2450	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2500 - 2599	2550	2500	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2600 - 2699	2650	2600	2500	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2700 - 2799	2750	2700	2600	2500	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2800 - 2899	2850	2800	2700	2600	2500	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0
2900 - 2999	2950	2900	2800	2700	2600	2500	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0
3000 - 3099	3050	3000	2900	2800	2700	2600	2500	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0
3100 - 3199	3150	3100	3000	2900	2800	2700	2600	2500	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0
3200 - 3299	3250	3200	3100	3000	2900	2800	2700	2600	2500	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0
3300 - 3399	3350	3300	3200	3100	3000	2900	2800	2700	2600	2500	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0
3400 - 3499	3450	3400	3300	3200	3100	3000	2900	2800	2700	2600	2500	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0
3500 - 3599	3550	3500	3400	3300	3200	3100	3000	2900	2800	2700	2600	2500	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0
3600 - 3699	3650	3600	3500	3400	3300	3200	3100	3000	2900	2800	2700	2600	2500	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0
3700 - 3799	3750	3700	3600	3500	3400	3300	3200	3100	3000	2900	2800	2700	2600	2500	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0
3800 - 3899	3850	3800	3700	3600	3500	3400	3300	3200	3100	3000	2900	2800	2700	2600	2500	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0
3900 - 3999	3950	3900	3800	3700	3600	3500	3400	3300	3200	3100	3000	2900	2800	2700	2600	2500	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0
4000 - 4049	4025	3975	3875	3775	3675	3575	3475	3375	3275	3175	3075	2975	2875	2775	2675	2575	2475	2375	2275	2175	2075	1975	1875	1775	1675	1575	1475	1375	1275	1175	1075	975	875	775	675	575	475	400	400	400	0
4050 - 99999	4050	4000	3900	3800	3700	3600	3500	3400	3300	3200	3100	3000	2900	2800	2700	2600	2500	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0

! Important: schools must use the alternate schedule for students in the cells outlined above when tuition plus dependent care or disability related expenses are lower than $675.

3/4 Time

Federal Pell Grant Program

Regular Disbursement Schedule for Determining

Three-Quarter-Time Annual Awards in the 2005-2006 Award Period

January 2005

$4,050 Maximum

Cost of Attendance	Expected Family Contribution																																							
	0 To 0	1 To 100	101 To 200	201 To 300	301 To 400	401 To 500	501 To 600	601 To 700	701 To 800	801 To 900	901 To 1000	1001 To 1100	1101 To 1200	1201 To 1300	1301 To 1400	1401 To 1500	1501 To 1600	1601 To 1700	1701 To 1800	1801 To 1900	1901 To 2000	2001 To 2100	2101 To 2200	2201 To 2300	2301 To 2400	2401 To 2500	2501 To 2600	2601 To 2700	2701 To 2800	2801 To 2900	2901 To 3000	3001 To 3100	3101 To 3200	3201 To 3300	3301 To 3400	3401 To 3500	3501 To 3600	3601 To 3700	3701 To 3800	3801 To 3850	3851 To 99999
0 - 199	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
200 - 299	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
300 - 399	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
400 - 499	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
500 - 599	413	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
600 - 699	488	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
700 - 799	563	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
800 - 899	638	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
900 - 999	713	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1000 - 1099	788	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1100 - 1199	863	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1200 - 1299	938	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1300 - 1399	1013	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1400 - 1499	1088	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1500 - 1599	1163	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1600 - 1699	1238	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1700 - 1799	1313	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1800 - 1899	1388	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1900 - 1999	1463	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2000 - 2099	1538	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2100 - 2199	1613	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2200 - 2299	1688	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2300 - 2399	1763	1725	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2400 - 2499	1838	1800	1725	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2500 - 2599	1913	1875	1800	1725	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2600 - 2699	1988	1950	1875	1800	1725	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2700 - 2799	2063	2025	1950	1875	1800	1725	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2800 - 2899	2138	2100	2025	1950	1875	1800	1725	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2900 - 2999	2213	2175	2100	2025	1950	1875	1800	1725	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0
3000 - 3099	2288	2250	2175	2100	2025	1950	1875	1800	1725	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0
3100 - 3199	2363	2325	2250	2175	2100	2025	1950	1875	1800	1725	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0
3200 - 3299	2438	2400	2325	2250	2175	2100	2025	1950	1875	1800	1725	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0
3300 - 3399	2513	2475	2400	2325	2250	2175	2100	2025	1950	1875	1800	1725	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0
3400 - 3499	2588	2550	2475	2400	2325	2250	2175	2100	2025	1950	1875	1800	1725	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0
3500 - 3599	2663	2625	2550	2475	2400	2325	2250	2175	2100	2025	1950	1875	1800	1725	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0
3600 - 3699	2738	2700	2625	2550	2475	2400	2325	2250	2175	2100	2025	1950	1875	1800	1725	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0
3700 - 3799	2813	2775	2700	2625	2550	2475	2400	2325	2250	2175	2100	2025	1950	1875	1800	1725	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0
3800 - 3899	2888	2850	2775	2700	2625	2550	2475	2400	2325	2250	2175	2100	2025	1950	1875	1800	1725	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0
3900 - 3999	2963	2925	2850	2775	2700	2625	2550	2475	2400	2325	2250	2175	2100	2025	1950	1875	1800	1725	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0
4000 - 4049	3019	2981	2906	2831	2756	2681	2606	2531	2456	2381	2306	2231	2156	2081	2006	1931	1856	1781	1706	1631	1556	1481	1406	1331	1256	1181	1106	1031	956	881	806	731	656	581	506	431	400	400	400	0	0
4050 - 99999	3038	3000	2925	2850	2775	2700	2625	2550	2475	2400	2325	2250	2175	2100	2025	1950	1875	1800	1725	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0

! Important: schools must use the alternate schedule for students in the cells outlined above when tuition plus dependent care or disability related expenses are lower than $675.

1/2 Time

Federal Pell Grant Program

Regular Disbursement Schedule for Determining
Half-Time Annual Awards in the 2005-2006 Award Period
January 2005

$4,050 Maximum

	Expected Family Contribution																																							
Cost of Attendance	0 To 0	1 To 100	101 To 200	201 To 300	301 To 400	401 To 500	501 To 600	601 To 700	701 To 800	801 To 900	901 To 1000	1001 To 1100	1101 To 1200	1201 To 1300	1301 To 1400	1401 To 1500	1501 To 1600	1601 To 1700	1701 To 1800	1801 To 1900	1901 To 2000	2001 To 2100	2101 To 2200	2201 To 2300	2301 To 2400	2401 To 2500	2501 To 2600	2601 To 2700	2701 To 2800	2801 To 2900	2901 To 3000	3001 To 3100	3101 To 3200	3201 To 3300	3301 To 3400	3401 To 3500	3501 To 3600	3601 To 3700	3701 To 3800	3801 To 3850	3851 To 99999
0 - 199	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
200 - 299	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
300 - 399	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
400 - 499	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
500 - 599	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
600 - 699	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
700 - 799	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
800 - 899	425	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
900 - 999	475	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1000 - 1099	525	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1100 - 1199	575	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1200 - 1299	625	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1300 - 1399	675	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1400 - 1499	725	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1500 - 1599	775	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1600 - 1699	825	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1700 - 1799	875	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1800 - 1899	925	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1900 - 1999	975	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2000 - 2099	1025	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2100 - 2199	1075	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2200 - 2299	1125	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2300 - 2399	1175	1150	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2400 - 2499	1225	1200	1150	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2500 - 2599	1275	1250	1200	1150	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2600 - 2699	1325	1300	1250	1200	1150	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2700 - 2799	1375	1350	1300	1250	1200	1150	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2800 - 2899	1425	1400	1350	1300	1250	1200	1150	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2900 - 2999	1475	1450	1400	1350	1300	1250	1200	1150	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3000 - 3099	1525	1500	1450	1400	1350	1300	1250	1200	1150	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0
3100 - 3199	1575	1550	1500	1450	1400	1350	1300	1250	1200	1150	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0
3200 - 3299	1625	1600	1550	1500	1450	1400	1350	1300	1250	1200	1150	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0
3300 - 3399	1675	1650	1600	1550	1500	1450	1400	1350	1300	1250	1200	1150	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0
3400 - 3499	1725	1700	1650	1600	1550	1500	1450	1400	1350	1300	1250	1200	1150	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0
3500 - 3599	1775	1750	1700	1650	1600	1550	1500	1450	1400	1350	1300	1250	1200	1150	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0
3600 - 3699	1825	1800	1750	1700	1650	1600	1550	1500	1450	1400	1350	1300	1250	1200	1150	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0
3700 - 3799	1875	1850	1800	1750	1700	1650	1600	1550	1500	1450	1400	1350	1300	1250	1200	1150	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0
3800 - 3899	1925	1900	1850	1800	1750	1700	1650	1600	1550	1500	1450	1400	1350	1300	1250	1200	1150	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0
3900 - 3999	1975	1950	1900	1850	1800	1750	1700	1650	1600	1550	1500	1450	1400	1350	1300	1250	1200	1150	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0
4000 - 4049	2013	1988	1938	1888	1838	1788	1738	1688	1638	1588	1538	1488	1438	1388	1338	1288	1238	1188	1138	1088	1038	988	938	888	838	788	738	688	638	588	538	488	438	400	400	400	400	0	0	0	0
4050 - 99999	2025	2000	1950	1900	1850	1800	1750	1700	1650	1600	1550	1500	1450	1400	1350	1300	1250	1200	1150	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0

! Important: schools must use the alternate schedule for students in the cells outlined above when tuition plus dependent care or disability related expenses are lower than $675.

< 1/2 Time

Federal Pell Grant Program

Regular Disbursement Schedule for Determining
Less-Than-Half-Time Annual Awards in the 2005-2006 Award Period
January 2005

$4,050 Maximum

Expected Family Contribution

Cost of Attendance	0 To 0	1 To 100	101 To 200	201 To 300	301 To 400	401 To 500	501 To 600	601 To 700	701 To 800	801 To 900	901 To 1000	1001 To 1100	1101 To 1200	1201 To 1300	1301 To 1400	1401 To 1500	1501 To 1600	1601 To 1700	1701 To 1800	1801 To 1900	1901 To 2000	2001 To 2100	2101 To 2200	2201 To 2300	2301 To 2400	2401 To 2500	2501 To 2600	2601 To 2700	2701 To 2800	2801 To 2900	2901 To 3000	3001 To 3100	3101 To 3200	3201 To 3300	3301 To 3400	3401 To 3500	3501 To 3600	3601 To 3700	3701 To 3800	3801 To 3850	3851 To 99999
0 - 199	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
200 - 299	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
300 - 399	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
400 - 499	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
500 - 599	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
600 - 699	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
700 - 799	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
800 - 899	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
900 - 999	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1000 - 1099	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1100 - 1199	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1200 - 1299	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1300 - 1399	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1400 - 1499	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1500 - 1599	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1600 - 1699	413	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1700 - 1799	438	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1800 - 1899	463	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1900 - 1999	488	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2000 - 2099	513	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2100 - 2199	538	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2200 - 2299	563	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2300 - 2399	588	575	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2400 - 2499	613	600	575	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2500 - 2599	638	625	600	575	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2600 - 2699	663	650	625	600	575	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2700 - 2799	688	675	650	625	600	575	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2800 - 2899	713	700	675	650	625	600	575	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2900 - 2999	738	725	700	675	650	625	600	575	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3000 - 3099	763	750	725	700	675	650	625	600	575	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3100 - 3199	788	775	750	725	700	675	650	625	600	575	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3200 - 3299	813	800	775	750	725	700	675	650	625	600	575	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3300 - 3399	838	825	800	775	750	725	700	675	650	625	600	575	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3400 - 3499	863	850	825	800	775	750	725	700	675	650	625	600	575	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0
3500 - 3599	888	875	850	825	800	775	750	725	700	675	650	625	600	575	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0
3600 - 3699	913	900	875	850	825	800	775	750	725	700	675	650	625	600	575	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0
3700 - 3799	938	925	900	875	850	825	800	775	750	725	700	675	650	625	600	575	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0
3800 - 3899	963	950	925	900	875	850	825	800	775	750	725	700	675	650	625	600	575	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0
3900 - 3999	988	975	950	925	900	875	850	825	800	775	750	725	700	675	650	625	600	575	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0
4000 - 4049	1006	994	969	944	919	894	869	844	819	794	769	744	719	694	669	644	619	594	569	544	519	494	469	444	419	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0
4050 - 99999	1013	1000	975	950	925	900	875	850	825	800	775	750	725	700	675	650	625	600	575	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0

! Important: schools must use the alternate schedule for students in the cells outlined above when tuition plus dependent care or disability related expenses are lower than $675.

Alternate Federal Pell Grant Schedules for Students with Low Assessed Tuition for the 2005-2006 Award Year

The following alternate schedules must be used to calculate Federal Pell Grant amounts in very specific situations involving students with low tuition charges. Use the appropriate schedule below, based on the student's enrollment status, only if **ALL** the following are true; otherwise use the regular payment and disbursement schedules:

- The student's tuition plus any dependent care or disability related expenses is **less than $675; AND**
- The student's Expected Family Contribution (EFC) is **700 or less; AND**
- The student's total cost of attendance is **$3,400 or higher.**

$4,050 Maximum

Important: When calculating the amount of tuition, schools that only charged fees in lieu of tuition as of October 1, 1998 may consider such fees as tuition for purposes of these tables.

Full-Time

Cost of Attendance	Tuition plus Dependent Care and/or Disability Expense, if any	EFC 0 To 0	EFC 1 To 100	EFC 101 To 200	EFC 201 To 300	EFC 301 To 400	EFC 401 To 500	EFC 501 To 600	EFC 601 To 700
		Pell Grant is:							
3400 - 3499	0	3375	3375	3300	3200	3100	3000	2900	2800
	1 - 225	3450	3400	3300	3200	3100	3000	2900	2800
	226 - 450	3450	3400	3300	3200	3100	3000	2900	2800
	451 - 674	3450	3400	3300	3200	3100	3000	2900	2800
	675 or more	3450	3400	3300	3200	3100	3000	2900	2800
3500 - 3599	0	3375	3375	3375	3300	3200	3100	3000	2900
	1 - 225	3488	3488	3400	3300	3200	3100	3000	2900
	226 - 450	3550	3500	3400	3300	3200	3100	3000	2900
	451 - 674	3550	3500	3400	3300	3200	3100	3000	2900
	675 or more	3550	3500	3400	3300	3200	3100	3000	2900
3600 - 3699	0	3375	3375	3375	3375	3300	3200	3100	3000
	1 - 225	3488	3488	3488	3400	3300	3200	3100	3000
	226 - 450	3650	3600	3500	3400	3300	3200	3100	3000
	451 - 674	3650	3600	3500	3400	3300	3200	3100	3000
	675 or more	3650	3600	3500	3400	3300	3200	3100	3000
3700 - 3799	0	3375	3375	3375	3375	3375	3300	3200	3100
	1 - 225	3488	3488	3488	3488	3400	3300	3200	3100
	226 - 450	3713	3700	3600	3500	3400	3300	3200	3100
	451 - 674	3750	3700	3600	3500	3400	3300	3200	3100
	675 or more	3750	3700	3600	3500	3400	3300	3200	3100
3800 - 3899	0	3375	3375	3375	3375	3375	3375	3300	3200
	1 - 225	3488	3488	3488	3488	3488	3400	3300	3200
	226 - 450	3713	3713	3700	3600	3500	3400	3300	3200
	451 - 674	3850	3800	3700	3600	3500	3400	3300	3200
	675 or more	3850	3800	3700	3600	3500	3400	3300	3200
3900 - 3999	0	3375	3375	3375	3375	3375	3375	3375	3300
	1 - 225	3488	3488	3488	3488	3488	3488	3400	3300
	226 - 450	3713	3713	3713	3700	3600	3500	3400	3300
	451 - 674	3938	3900	3800	3700	3600	3500	3400	3300
	675 or more	3950	3900	3800	3700	3600	3500	3400	3300
4000 - 4049	0	3375	3375	3375	3375	3375	3375	3375	3375
	1 - 225	3488	3488	3488	3488	3488	3488	3475	3375
	226 - 450	3713	3713	3713	3713	3675	3575	3475	3375
	451 - 674	3938	3938	3875	3775	3675	3575	3475	3375
	675 or more	4025	3975	3875	3775	3675	3575	3475	3375
4050 or more	0	3375	3375	3375	3375	3375	3375	3375	3375
	1 - 225	3488	3488	3488	3488	3488	3488	3488	3400
	226 - 450	3713	3713	3713	3713	3700	3600	3500	3400
	451 - 674	3938	3938	3900	3800	3700	3600	3500	3400
	675 or more	4050	4000	3900	3800	3700	3600	3500	3400

Three-Quarter-Time

Cost of Attendance		EFC 0 To 0	EFC 1 To 100	EFC 101 To 200	EFC 201 To 300	EFC 301 To 400	EFC 401 To 500	EFC 501 To 600	EFC 601 To 700
		Pell Grant is:							
3400 - 3499	0	2531	2531	2475	2400	2325	2250	2175	2100
	1 - 225	2588	2550	2475	2400	2325	2250	2175	2100
	226 - 450	2588	2550	2475	2400	2325	2250	2175	2100
	451 - 674	2588	2550	2475	2400	2325	2250	2175	2100
	675 or more	2588	2550	2475	2400	2325	2250	2175	2100
3500 - 3599	0	2531	2531	2531	2475	2400	2325	2250	2175
	1 - 225	2616	2616	2550	2475	2400	2325	2250	2175
	226 - 450	2663	2625	2550	2475	2400	2325	2250	2175
	451 - 674	2663	2625	2550	2475	2400	2325	2250	2175
	675 or more	2663	2625	2550	2475	2400	2325	2250	2175
3600 - 3699	0	2531	2531	2531	2531	2475	2400	2325	2250
	1 - 225	2616	2616	2616	2550	2475	2400	2325	2250
	226 - 450	2738	2700	2625	2550	2475	2400	2325	2250
	451 - 674	2738	2700	2625	2550	2475	2400	2325	2250
	675 or more	2738	2700	2625	2550	2475	2400	2325	2250
3700 - 3799	0	2531	2531	2531	2531	2531	2475	2400	2325
	1 - 225	2616	2616	2616	2616	2550	2475	2400	2325
	226 - 450	2785	2775	2700	2625	2550	2475	2400	2325
	451 - 674	2813	2775	2700	2625	2550	2475	2400	2325
	675 or more	2813	2775	2700	2625	2550	2475	2400	2325
3800 - 3899	0	2531	2531	2531	2531	2531	2531	2475	2400
	1 - 225	2616	2616	2616	2616	2616	2550	2475	2400
	226 - 450	2785	2785	2775	2700	2625	2550	2475	2400
	451 - 674	2888	2850	2775	2700	2625	2550	2475	2400
	675 or more	2888	2850	2775	2700	2625	2550	2475	2400
3900 - 3999	0	2531	2531	2531	2531	2531	2531	2531	2475
	1 - 225	2616	2616	2616	2616	2616	2616	2550	2475
	226 - 450	2785	2785	2785	2775	2700	2625	2550	2475
	451 - 674	2954	2925	2850	2775	2700	2625	2550	2475
	675 or more	2963	2925	2850	2775	2700	2625	2550	2475
4000 - 4049	0	2531	2531	2531	2531	2531	2531	2531	2531
	1 - 225	2616	2616	2616	2616	2616	2616	2606	2531
	226 - 450	2785	2785	2785	2785	2756	2681	2606	2531
	451 - 674	2954	2954	2906	2831	2756	2681	2606	2531
	675 or more	3019	2981	2906	2831	2756	2681	2606	2531
4050 or more	0	2531	2531	2531	2531	2531	2531	2531	2531
	1 - 225	2616	2616	2616	2616	2616	2616	2616	2550
	226 - 450	2785	2785	2785	2785	2775	2700	2625	2550
	451 - 674	2954	2954	2925	2850	2775	2700	2625	2550
	675 or more	3038	3000	2925	2850	2775	2700	2625	2550

Alternate Federal Pell Grant Schedules for Students with Low Assessed Tuition for the 2005-2006 Award Year

The following alternate schedules must be used to calculate Federal Pell Grant amounts in very specific situations involving students with low tuition charges. Use the appropriate schedule below, based on the student's enrollment status, only if **ALL** the following are true; otherwise use the regular payment and disbursement schedules:

- The student's tuition plus any dependent care or disability related expenses is **less than $675; AND**
- The student's Expected Family Contribution (EFC) is **700 or less; AND**
- The student's total cost of attendance is **$3,400 or higher.**

$4,050 Maximum

***Important:* When calculating the amount of tuition, schools that only charged fees in lieu of tuition as of October 1, 1998 may consider such fees as tuition for purposes of these tables.**

Half-Time

Cost of Attendance	Tuition plus Dependent Care and/or Disability Expense, if any	EFC 0 To 0	1 To 100	101 To 200	201 To 300	301 To 400	401 To 500	501 To 600	601 To 700
		Pell Grant is:							
3400 - 3499	0	1688	1688	1650	1600	1550	1500	1450	1400
	1 - 225	1725	1700	1650	1600	1550	1500	1450	1400
	226 - 450	1725	1700	1650	1600	1550	1500	1450	1400
	451 - 674	1725	1700	1650	1600	1550	1500	1450	1400
	675 or more	1725	1700	1650	1600	1550	1500	1450	1400
3500 - 3599	0	1688	1688	1688	1650	1600	1550	1500	1450
	1 - 225	1744	1744	1700	1650	1600	1550	1500	1450
	226 - 450	1775	1750	1700	1650	1600	1550	1500	1450
	451 - 674	1775	1750	1700	1650	1600	1550	1500	1450
	675 or more	1775	1750	1700	1650	1600	1550	1500	1450
3600 - 3699	0	1688	1688	1688	1688	1650	1600	1550	1500
	1 - 225	1744	1744	1744	1700	1650	1600	1550	1500
	226 - 450	1825	1800	1750	1700	1650	1600	1550	1500
	451 - 674	1825	1800	1750	1700	1650	1600	1550	1500
	675 or more	1825	1800	1750	1700	1650	1600	1550	1500
3700 - 3799	0	1688	1688	1688	1688	1688	1650	1600	1550
	1 - 225	1744	1744	1744	1744	1700	1650	1600	1550
	226 - 450	1857	1850	1800	1750	1700	1650	1600	1550
	451 - 674	1875	1850	1800	1750	1700	1650	1600	1550
	675 or more	1875	1850	1800	1750	1700	1650	1600	1550
3800 - 3899	0	1688	1688	1688	1688	1688	1688	1650	1600
	1 - 225	1744	1744	1744	1744	1744	1700	1650	1600
	226 - 450	1857	1857	1850	1800	1750	1700	1650	1600
	451 - 674	1925	1900	1850	1800	1750	1700	1650	1600
	675 or more	1925	1900	1850	1800	1750	1700	1650	1600
3900 - 3999	0	1688	1688	1688	1688	1688	1688	1688	1650
	1 - 225	1744	1744	1744	1744	1744	1744	1700	1650
	226 - 450	1857	1857	1857	1850	1800	1750	1700	1650
	451 - 674	1969	1950	1900	1850	1800	1750	1700	1650
	675 or more	1975	1950	1900	1850	1800	1750	1700	1650
4000 - 4049	0	1688	1688	1688	1688	1688	1688	1688	1688
	1 - 225	1744	1744	1744	1744	1744	1744	1738	1688
	226 - 450	1857	1857	1857	1857	1838	1788	1738	1688
	451 - 674	1969	1969	1938	1888	1838	1788	1738	1688
	675 or more	2013	1988	1938	1888	1838	1788	1738	1688
4050 or more	0	1688	1688	1688	1688	1688	1688	1688	1688
	1 - 225	1744	1744	1744	1744	1744	1744	1744	1700
	226 - 450	1857	1857	1857	1857	1850	1800	1750	1700
	451 - 674	1969	1969	1950	1900	1850	1800	1750	1700
	675 or more	2025	2000	1950	1900	1850	1800	1750	1700

Less than Half-Time

Cost of Attendance		EFC 0 To 0	1 To 100	101 To 200	201 To 300	301 To 400	401 To 500	501 To 600	601 To 700
		Pell Grant is:							
3400 - 3499	0	844	844	825	800	775	750	725	700
	1 - 225	863	850	825	800	775	750	725	700
	226 - 450	863	850	825	800	775	750	725	700
	451 - 674	863	850	825	800	775	750	725	700
	675 or more	863	850	825	800	775	750	725	700
3500 - 3599	0	844	844	844	825	800	775	750	725
	1 - 225	872	872	850	825	800	775	750	725
	226 - 450	888	875	850	825	800	775	750	725
	451 - 674	888	875	850	825	800	775	750	725
	675 or more	888	875	850	825	800	775	750	725
3600 - 3699	0	844	844	844	844	825	800	775	750
	1 - 225	872	872	872	850	825	800	775	750
	226 - 450	913	900	875	850	825	800	775	750
	451 - 674	913	900	875	850	825	800	775	750
	675 or more	913	900	875	850	825	800	775	750
3700 - 3799	0	844	844	844	844	844	825	800	775
	1 - 225	872	872	872	872	850	825	800	775
	226 - 450	928	925	900	875	850	825	800	775
	451 - 674	938	925	900	875	850	825	800	775
	675 or more	938	925	900	875	850	825	800	775
3800 - 3899	0	844	844	844	844	844	844	825	800
	1 - 225	872	872	872	872	872	850	825	800
	226 - 450	928	928	925	900	875	850	825	800
	451 - 674	963	950	925	900	875	850	825	800
	675 or more	963	950	925	900	875	850	825	800
3900 - 3999	0	844	844	844	844	844	844	844	825
	1 - 225	872	872	872	872	872	872	850	825
	226 - 450	928	928	928	925	900	875	850	825
	451 - 674	985	975	950	925	900	875	850	825
	675 or more	988	975	950	925	900	875	850	825
4000 - 4049	0	844	844	844	844	844	844	844	844
	1 - 225	872	872	872	872	872	872	869	844
	226 - 450	928	928	928	928	919	894	869	844
	451 - 674	985	985	969	944	919	894	869	844
	675 or more	1006	994	969	944	919	894	869	844
4050 or more	0	844	844	844	844	844	844	844	844
	1 - 225	872	872	872	872	872	872	872	850
	226 - 450	928	928	928	928	925	900	875	850
	451 - 674	985	985	975	950	925	900	875	850
	675 or more	1013	1000	975	950	925	900	875	850

Stafford / PLUS Loan Periods and Amounts

CHAPTER 4

The rules for awarding Stafford and PLUS loans are different than for Pell Grants and other FS A programs. Annual loan limits vary by grade level, and there are aggregate limits on the total amount that may be borrowed at one time. Also, the "loan period" and the disbursements within that period may not always correspond to the payment periods that you're using for Pell Grants. Finally, the requirement to prorate Stafford loan limits is different than the requirements for calculating Pell Grants.

The student's eligibility for a Stafford Loan (and a parent's eligibility for a PLUS Loan) is calculated differently than the Pell Grant. There is no fixed table such as the Pell Grant Payment Schedule that determines award amounts. Stafford Loans have annual and aggregate limits that are the same for all students at a given grade level and dependency status. This chapter will describe these loan limits and how they apply to the academic year in different types of programs.

Since you must determine a student's eligibility for Stafford and also a parent's eligibility for PLUS in combination with other sources of aid, we'll discuss this topic in further detail in Chapter 6 on packaging.

LOAN PERIODS, ACADEMIC TERMS, & PROGRAM LENGTH

It's important to define the loan period (sometimes referred to as the *period of enrollment*) at the outset, because the length of the loan period will determine the timing and amount of disbursements. This discussion assumes that your school has already established its academic measurements. If you have not already done so, see Chapter 1 for a discussion of eligible programs, academic years, payment periods, and conversion of clock hours/credit hours.

If a program uses standard terms, such as semesters, trimesters, or quarters, the loan period may coincide with one or more of its academic terms. The *minimum* loan period is a single academic term. (For a discussion of academic terms as used in awarding aid, see Volume 3, Chapter 3.) As an example, if a student will be enrolled in the fall semester only and will skip the spring semester, you may certify a loan for that term alone. (Remember, however, that the loan amount must be based on the reduced costs and EFC for that term, rather than for the full academic year.)

CHAPTER 4 HIGHLIGHTS:

Measurements of academic and loan periods

- Loan periods, academic terms, & program length
- Scheduled Academic Year (SAY) may be used for credit-hour programs with standard terms.
- Borrower-Based Academic Year (BBAY) may be used for standard term credit-hour programs with an SAY as an alternative to the SAY.
- BBAY must be used for clock hour, non-term, and non-standard term programs, and for standard term credit-hour programs without an SAY.

Annual Loan Limits

- Stafford limits for dependent undergraduates
- Stafford limits for independent undergraduates & dependent undergraduates whose parents can't get PLUS
- Undergraduate limits based on grade level
- Undergraduate limits must be prorated for programs less than an academic year or remaining portion of a program less than an academic year
- Stafford limits for graduate and professional students
- Stafford limits for teacher certification coursework

Aggregate Loan Limits

- Loan information provided through "Financial Aid History" on SAR, ISIR, and on NSLDS Web site.
- NSLDS now identifies underlying amounts for FFEL as well as Direct Consolidation Loans.

Loan periods for all other programs, such as nonterm or non-standard term programs, are based on the length of the *program* or the length of the *Title IV academic year*. These loan periods also apply to programs that are a mixture of standard terms and non-standard terms not offered in a traditional academic calendar. The **minimum** loan period for such programs is the shortest of:

- *The Title IV academic year as defined by the school.* (At least 30 weeks of instructional time and, for undergraduate programs, at least 900 clock hours, 24 semester hours, or 36 quarter hours.)

- *The length of the student's program at the school for programs of less than an academic year.*

- *The remaining portion of the student's program when the program exceeds the academic year.*

The **maximum** loan period is generally the school's academic year but cannot exceed a 12-month period. However, you can have more than one loan in an academic year up to the annual loan limit.

ACADEMIC YEAR & LOAN LIMITS

The academic year is used as the basis for the student's annual loan limits. (The award year concept for Pell and the Campus-based programs is not a factor for Stafford and PLUS loans.)

Depending on the program, a student who has reached the annual loan limit cannot receive another Stafford Loan until he or she either begins another academic year, or progresses within an academic year to a grade level with a higher annual loan limit.

The loan period is often equivalent to an academic year, but there are also many situations where this is not the case. In this section, we'll discuss how you can match the student's loan periods to his/her enrollment and your school's academic calendar. (If you are not familiar with the definition of an academic year, see Chapter 1 of this Volume.)

Two types of academic years for annual loan limits: SAY and BBAY

There are two types of academic years that may be used to monitor annual loan limits for Stafford and PLUS loans: a Scheduled Academic Year (SAY) or a Borrower-Based Academic Year (BBAY). An SAY corresponds to a traditional academic year calendar that is published in a school's catalogue or other materials (for example, fall and spring semesters, or fall, winter, and spring quarters). An SAY is a fixed period of time that begins and ends at the same time each year. A BBAY does not have fixed beginning and ending dates. Instead, it "floats" with a student's (or group of students') attendance and progression in a program of study.

Period of enrollment (loan period)

The period of enrollment for which a Stafford or PLUS loan is intended. The period of enrollment must coincide with an academic period established by the school for which institutional charges are generally assessed (e.g., semester, trimester, quarter, length of the student's program or academic year). The period of enrollment is also referred to as the loan period.

34 CFR 682.200(b)
34 CFR 685.200(b)

Minimum and Maximum Loan Periods

→ Maximum = generally school's academic year but not more than 12 months.

→ Minimum (standard term programs) = one academic term

→ Minimum (clock-hour, non-term, and non-standard term programs) = lesser of academic year, program length, or remaining portion of academic program

Academic Year

See Volume 3, Chapter 1 for a discussion of academic year requirements.

Stafford/PLUS at multiple schools

Unlike Pell Grants, it is possible for a student who is separately enrolled and eligible at multiple schools to get a Stafford (and the parent to receive a PLUS) at more than one school for the same period. The schools that the student is attending are responsible for coordinating to make sure that the total amount of the loans the student receives does not exceed the applicable annual loan limit. In addition, the schools must ensure that there is no duplication of non-institutional costs when determining the student's cost of attendance. (Note that loan funds awarded at one school are not to be included as estimated financial assistance by any other school the student is attending when determining the student's loan eligibility for the same period.)

Standard term, credit hour programs that are offered in an SAY (that is, a traditional academic year calendar) also have the option of using a BBAY. Standard term, credit hour programs that are not offered in an SAY must use a BBAY. Clock-hour, nonterm, and non-standard term programs must also use a BBAY. However, there are significant differences between the BBAY for standard term, credit hour programs, and the BBAY for clock hour, nonterm, and non-standard term programs.

Standard term, credit hour programs using a traditional academic year calendar: Scheduled Academic Year

As noted above, an SAY corresponds to a traditional academic year calendar, and usually begins and ends at the same time each calendar year (for example, beginning on the first day of the fall semester and ending on the last day of the spring semester). An SAY may include one or more terms that a student does not attend. Summer terms are generally not considered to be part of the SAY, but for loan limit purposes they may be treated as “trailers” or “headers” to the SAY, as explained below. An SAY must meet the Title IV requirements for an academic year, as described in Chapter 1.

For loan limit purposes, a summer term may be treated as a “trailer” to the preceding SAY or as a “header” to the following SAY. Summer mini-sessions can be grouped together as a single trailer or header term, or they can be treated separately and assigned to different SAYs. (See Chapter 1 and 3 for treatment of mini-sessions as payment periods and in determining Pell payments.) If the summer mini-sessions are grouped and treated as a single term, the summer cost of attendance cannot include costs for a mini-session for which the student is not expected to be enrolled.

Your school has the option to establish a policy that designates its summer term as either a trailer or header to the SAY for all students. You can also choose to make different designations for different educational programs, or for different students, as long as you ensure that there is no overlap in academic years. Note that a fixed designation of the summer term can limit a student’s eligibility. For instance, if you always treat your summer term as a trailer to a preceding fall-spring SAY, a student who receives the full annual loan limit for fall-spring would have no remaining loan eligibility for summer.

The annual loan limit applies to the SAY, plus the summer trailer or header. Once the calendar period associated with all of the terms in the SAY and the summer header or trailer (if any) has elapsed, a student regains eligibility for a new annual loan limit.

Standard term, credit hour programs using a traditional academic year calendar: Borrower-Based Academic Year

If a standard term, credit hour program is offered in a traditional academic year calendar (SAY), you have the option of using a BBAY as an alternative to the SAY for monitoring annual loan limits for an individual student. Unlike an SAY, a BBAY is not a fixed period that begins and ends at the same time each year. Instead, a BBAY's beginning and ending dates depend on the individual student's enrollment.

For standard term, credit hour programs offered in a traditional academic year calendar, a BBAY must include the same number of terms as the SAY that would otherwise be used (not including any summer "trailer" or "header"). For example, if the SAY includes three quarters (fall, winter, spring) a BBAY would consist of any three consecutive terms. A BBAY may include terms the student does not attend if the student could have enrolled **at least half time** in those terms, but (unlike an SAY) it must begin with a term in which the student is actually enrolled. Also, any mini-sessions (summer or otherwise) that run consecutively within a term **must** be combined and treated as a single term. Like an SAY, a BBAY must meet the minimum Title IV requirements for an academic year. However, a BBAY that includes a summer term may include fewer than 30 weeks of instructional time or fewer credit hours than the minimum number required for an SAY. This is because a summer term may be shorter than a standard term in a SAY, but is recognized as academically equivalent to a standard term when used as one of the terms in a BBAY. (NOTE: This exception applies only to a BBAY used as an alternative to an SAY for a standard term, credit hour program that is also offered in a traditional academic year calendar.)

You may use BBAYs for all students, only for students in certain programs, or on a student-by-student basis. For example, you could use a BBAY for students enrolled in a program that begins in a term other than the first term of the SAY. You can even alternate BBAYs and SAYs for a student, provided the academic years don't overlap. This treatment may allow a student to receive another loan sooner than would be allowed under an SAY standard. For instance, if you normally use an SAY consisting of Fall and Spring semesters with a Summer trailer, a student who received the maximum annual loan limit for Fall-Spring could not receive another loan until the start of a new SAY in the Fall. If the student enrolls for summer and wants a loan, you could choose to switch the student to a BBAY consisting of the Summer and Fall terms. The student could then receive a loan for the Summer term, since Summer would be the start of a new academic year. A school that has these choices for academic year standards must have a written policy that explains how it applies these options when calculating loan eligibility.

As with a SAY, the annual loan limit applies to the BBAY. Once the calendar period associated with all of the terms in the BBAY has elapsed, a student regains eligibility for a new annual loan limit.

Standard term, credit hour programs not using a traditional academic year calendar: Borrower-Based Academic Year

If a program is not offered in a traditional academic year calendar (SAY), a BBAY must be used. If the program uses semesters or trimesters, a BBAY generally consists of any two consecutive terms. If the program uses quarters, a BBAY consists of any three consecutive terms. As with the optional BBAY that may be used for programs offered in a traditional academic year calendar, the BBAY may include terms that a student does not attend (as long as the student could have enrolled at least half-time in those terms), but it must begin with a term in which the student is actually enrolled. Unlike the optional BBAY for programs offered in an SAY, there is no exception to the minimum Title IV academic year requirements for a BBAY that includes a summer term: the BBAY for programs that are not offered in a traditional academic calendar must always include enough terms to meet the minimum Title IV academic year requirements for weeks of instructional time.

The annual loan limit applies to the BBAY. Once the calendar period associated with all of the terms in the BBAY has elapsed, a student regains eligibility for a new annual loan limit.

Clock hour, nonterm, and non-standard term programs: Borrower-Based Academic Year

All clock hour, nonterm, and non-standard term programs must use a BBAY that meets the minimum Title IV requirements for an academic year. This requirement also applies to programs that consist of both standard and non-standard terms and that are not offered in a traditional academic calendar. That is, the BBAY must contain at least the number of weeks of instructional time and hours in the program's Title IV academic year. The Title IV academic year must contain at least 30 weeks of instructional time and the appropriate number of credit or clock hours (for undergraduate programs, at least 24 semester or trimester hours, 36 quarter hours, or 900 clock hours; for graduate programs, the number of hours a student would complete under the school's full-time standard in the weeks of the Title IV academic year, which must be a minimum of 30 weeks.) The BBAY begins when a student enrolls and does not end until the student has completed the number of hours **and** the number of weeks in the academic year.

Because a student must successfully complete the minimum number of hours and weeks in an academic year before a new BBAY begins, a student's enrollment status may affect how soon the student regains eligibility for a new annual loan limit. For example, a student who is attending part-time will take longer to complete a BBAY than a full-time student. (In contrast, an SAY or BBAY for a standard term, credit hour program ends when the *calendar period* associated with the terms in the SAY or BBAY has elapsed, regardless of how many credit hours or weeks of instruction the student completed during the SAY or BBAY.)

Clock hour, nonterm and non-standard BBAYs based on full-time progress

In many clock hour, nonterm and non-standard term programs, students are allowed to progress at an individual pace. For example, a school that defines its academic year as 900 clock hours and 30 weeks of instructional time offers a 900 clock hour program that most students complete in 30 weeks. However, one student might complete 900 clock hours in 26 weeks, and another in 34 weeks. You do not have to prorate the loan limit for the occasional student who completes the program in less than 30 weeks. (Note that this policy applies only to programs that are exactly one academic year in length. If a program is longer than an academic year, proration may be required for a loan covering the remaining portion of the program if a student completes more than the minimum number of hours during the first 30 weeks of instructional time. See loan limit proration example #3 on p. 3-83.

Standard Term, Credit Hour Programs using a traditional academic year calendar: SAY

The Springfield Academy offers a two-year program measured in semesters and awarding credit hours. It defines its Title IV academic year in accordance with the minimum requirements and uses an SAY that provides 30 weeks of instruction and 24 semester hours, and includes two semesters (Fall and Spring), each 15 weeks of instructional time in length. Springfield Academy also offers a Summer session that it treats as a "trailer" to the SAY.

Most of Springfield's students do not attend the Summer session, so the aid office typically certifies Stafford loans for a period of enrollment that starts with the Fall semester (August 27) and concludes at the end of the Spring semester (May 2). However, there are some first-year students who decide to enroll in the Summer term in order to complete their studies sooner. The annual loan limit applies to the Fall-Spring SAY, plus the Summer trailer. Students who receive the maximum annual loan amount for Fall-Spring have no loan eligibility for summer and may not borrow again until the start of the next SAY in the Fall.

Academic Year for loan limit purposes = 2 semesters + summer trailer

Fall	Spring	Summer

Year 1: SAY + Summer Trailer
Year 2: SAY + Summer Trailer

Standard Term, Credit-Hour Programs using traditional Academic Year Calendar: BBAY

Examples 1a through 1c illustrate the optional use of a BBAY for a program that is offered in an SAY consisting of two semesters, Fall and Spring, each 15 weeks of instructional time in length. (Note that in each example, the first BBAY is the same as the SAY.)

In example 1a, the initial Fall and Spring terms could be considered either an SAY or BBAY. If the student attends the Summer session at the school, the aid administrator can elect to treat the Summer term and the next Fall as a BBAY for the student. In that case, the following Spring and Summer would also constitute a BBAY. The maximum loan limit for an academic year applies to each BBAY. If these were the first three years of study for a dependent student and the student progressed a grade level each academic year, he/she would be eligible for up to the maximum Stafford amounts of $2,625, $3,500, and $5,500 for the respective academic years.

A student doesn't have to attend all of the terms in a BBAY, but the BBAY cannot begin with a term that the student doesn't attend. In example 1b, the student is not enrolled in the second term (Fall) of BBAY #2. In example 1c, if the student does not attend a term that otherwise would have been the beginning of a BBAY (in this case, Spring), then the student's next BBAY cannot begin until the next term that the student attends. As with example 1a, the annual loan limit applies to each BBAY.

The same concepts apply to quarter-term programs. For instance, in example 2, the Fall, Winter, and Spring terms constitute the school's SAY. If the student attends the Summer session at the school, it can be the first term of a BBAY that includes the following Fall and Winter terms

1. BBAY where SAY contains 2 semesters

1a.

Fall	Spring	Summer	Fall	Spring	Summer
Year 1: SAY or BBAY		Year 2: BBAY		Year 3: BBAY	

1b.

Fall	Spring	Summer	Fall (not enrolled)	Spring	Summer
Year 1: SAY or BBAY		Year 2: BBAY			

1c.

Fall	Spring	Summer	Fall	Spring (not enrolled)	Summer	Fall
Year 1: SAY or BBAY		Year 2: BBAY			Year 3: BBAY	

2. BBAY where SAY contains 3 quarters

Fall	Winter	Spring	Summer	Fall	Winter
Year 1: SAY or BBAY			Year 2: BBAY		

Standard Term, Credit-Hour programs not using a traditional academic year calendar: BBAY

Springfield Academy also has a program that measures academic progress in credit hours and uses 15-week semesters, but is not offered in a traditional academic year calendar (SAY). New students begin the program each month, and a 15-week semester begins at that time for that cohort of students. The school must use a BBAY to monitor annual loan limits. A BBAY consists of any two consecutive semesters, beginning with a semester in which a student is enrolled:

Semester #1 (begins program)	Semester #2	Semester #3	Semester #4 (not enrolled)	Semester #5	Semester #6
Year 1: BBAY		Year 2: BBAY		Year 3: BBAY	

ANNUAL LOAN LIMITS

Stafford Loans have annual loan limits, based on the student's dependency status and grade level. There are higher unsubsidized Stafford annual loan limits for some health professions students, and special loan limits for certain students who are not enrolled in a degree or certificate program. In some cases, the annual loan limits must be prorated (reduced). The annual loan limits are the maximum amounts that a student may receive for an academic year.

Stafford limits for dependent undergraduates

The annual loan limits for a dependent student increase from $2,625 for a *first-year student*, to $3,500 for a *second-year student*, to $5,500 for a *third-*, *fourth-*, or *fifth-year undergraduate*. These loan limits represent the total of all subsidized and unsubsidized Stafford Loans a dependent undergraduate student may borrow at each level of study, for a single academic year.

Increased unsubsidized Stafford limits for independent students and dependent students whose parents can't get PLUS

Independent undergraduate students may borrow unsubsidized loans with additional loan limits. The additional loan limits also apply to dependent undergraduate students whose parents are unable to borrow PLUS loans due to adverse credit or other documented exceptional circumstances (see Volume 4, Chapter 1 for more detailed information).

The following unsubsidized loan amounts may be added to the borrower's combined subsidized and unsubsidized loan limits. An independent undergraduate student enrolled in a program of study that is at least an academic year in length may borrow additional unsubsidized loan amounts not to exceed an annual total of—

- up to $4,000 for a *first*- or *second-year student*,
- up to $5,000 for a *third-*, *fourth-*, or *fifth-year undergraduate*.

The subsidized portion of the annual loan limit may not exceed the overall annual loan limit for a dependent student. For example, an independent student in the second year of study would be eligible to borrow a total of $7,500 in subsidized and unsubsidized Stafford loans, but no more than $3,500 of this total may be in the form of a subsidized Stafford loan.

Grade level progression between different academic years

As shown above, the annual loan limit for Stafford Loans increases as a student progresses in his/her studies. Generally, a student's grade level for loan limit purposes is set according to the school's academic standards. Note that progression to a higher grade level does not always coincide with the beginning of a new academic year for loan limit purposes. For example, a student in a standard term, credit hour program using semesters who completes only 12 semester hours during the first academic year of a 2-year program could receive another loan when the calendar period associated with that academic year has elapsed, but the student will still be classified as a first-year undergraduate at the start of the second academic year.

In contrast, progression to a higher grade level and the beginning of a new academic year for loan limit purposes always happen at the same time for a student in a clock-hour, nonterm or non-standard term program. A student who is enrolled in such a program must successfully complete the weeks and hours in the program's Title IV academic year, i.e., at least 30 weeks of instructional time and the academic credit, in order to advance to the next grade level. For instance, a first-year student in a 2-year nonterm program who earns 36 quarter-credits over 24 weeks of instructional time cannot progress to the next grade level until another 6 weeks of instructional time are completed.

For standard term programs, if a student is enrolled at the same grade level after a full academic year has elapsed, the student may be eligible for a new annual maximum amount. For instance, if the student maintains satisfactory academic progress, he or she could conceivably receive two $2,625 Stafford loans while completing the first year of the program. (Your school has the authority to set a limit on the number of times a student can receive the maximum annual loan

Clock hour, Nonterm, and Non-Standard Term program: BBAY

Example 1: Clock Hour Program

Springfield Academy has an 1800 clock hour program with 60 weeks of instructional time, and defines its academic year as 900 clock hours and 30 weeks of instructional time. The BBAY always begins with the student's actual enrollment date. An enrolling student may receive two Federal Stafford Loans during the program (provided all eligibility criteria are met) because the program exceeds one academic year. The period of enrollment for the first loan would be the time it will take the student to successfully complete (pass) 900 clock hours and 30 weeks. The period for the second loan would be the time it takes to successfully complete the final 900 hours/30 weeks. Note that the student cannot receive the second loan until he/she has successfully completed the first 900 hours of the program **AND** 30 weeks of instruction.

A student who completes the first 900 hours in less than 30 weeks must still complete 30 weeks of instructional time before a new BBAY begins and the student becomes eligible to receive another loan. Similarly, a student who has completed fewer than 900 clock hours after 30 weeks of instructional time must successfully complete 900 hours before receiving another loan.

Example 2: Nonterm credit hour program

A school offers a 48-semester hour program with a defined academic year of 24 semester hours and 30 weeks of instructional time. As with the clock hour program in example 1, a student could receive two loans for this program. The period of enrollment for the first loan would be the time needed for a student to successfully complete the first 24 hours and 30 weeks of instructional time. The period of enrollment for the second loan would be the time needed to complete the remaining hours and weeks of the program. A student must successfully complete (pass) both 24 semester hours **AND** 30 weeks of instructional time before receiving the second loan.

Example 3: Non-standard term, credit hour program

A school offers a 72-quarter hour program with 60 weeks of instructional time and a defined academic year of 36 quarter hours and 30 weeks of instructional time. Courses are offered in 5-week terms; a full-time student would be expected to complete six quarter hours in each term. As with examples 1 and 2, a student could receive two loans, one for the first 36 hours and 30 weeks, and another for the remaining hours and weeks of the program.

Although this program uses terms and measures academic progress in credit hours, the terms are non-standard terms. A student does not become eligible for the second loan until he or she has completed both 36 quarter hours and 30 weeks of instructional time, regardless of the number of terms that have elapsed. For instance, a student who completes six quarter hours during each of the first five terms of the program, but only successfully completes (passes) three quarter hours of the six quarter hours in the sixth term, must complete an additional three quarter hours before receiving the second loan.

Monitoring Annual Loan Limits: SAY and BBAY

SAY (Standard Term, Credit Hour Programs)	**BBAY** (Standard Term, Credit Hour Programs)	**BBAY**(Clock Hour, Nonterm, & Non-standard Term Programs)
➢ Consists of a traditional academic calendar with at least two semesters or three quarters ➢ Begins/ends at same time each year ➢ Must meet statutory requirements for an academic year ➢ Student regains eligibility for new annual loan limit after SAY calendar period has elapsed ➢ Total of all loans received within SAY (including summer trailer/header) may not exceed annual loan limit ➢ After original loan, student may receive additional loans during same SAY if: • Student did not receive maximum annual loan amount and has remaining eligibility; • Student progresses to grade level with higher annual loan limit; or • Student changes from dependent to independent ➢ Summer term may be "trailer" or "header" per: • Strict policy; • By program; or • Case by case, by student ➢ Summer minisessions may be combined and treated as single trailer/header, or assigned to different SAYs (affects all Title IV)	***All standard term, credit hour programs:*** ➢ Floats with student's enrollment ➢ Student regains eligibility for new annual loan limit after BBAY calendar period has elapsed ➢ Total of all loans received within BBAY may not exceed annual loan limit ➢ After original loan, student may receive additional loans during same BBAY if: • Student did not receive maximum annual loan amount and has remaining eligibility; • Student progresses to grade level with higher annual loan limit; or • Student changes from dependent to independent ➢ Must begin with term in which student is actually enrolled ➢ May include terms student does not attend if student could have enrolled at least half-time ➢ Minisessions (summer or otherwise) must be combined with each other or with other terms and treated as a single standard term (affects all Title IV) • Student need not enroll in each minisession, but must have been able to enroll at least half-time in the combined term ***Programs offered in SAY:*** ➢ May use BBAY for: • All students; • Certain students; or • Certain programs ➢ May alternate SAY and BBAY for a student if academic years do not overlap ➢ Length of BBAY must equal number of terms in SAY (excluding summer trailer/header) ➢ Number of hours/weeks in BBAY need not meet Title IV minimum if BBAY includes summer term ***Programs not offered in SAY:*** ➢ Must use BBAY ➢ BBAY consists of: • At least 2 consecutive semesters or trimesters; or • At least 3 consecutive quarters ➢ BBAY must meet Title IV minimum for hours/weeks	➢ Floats with student's enrollment ➢ BBAY must meet minimum Title IV requirements for academic year ➢ Begins with student's enrollment ➢ Student regains eligibility for new annual loan limit only after successfully completing minimum number of weeks **and** clock/credit hours in the program's defined Title IV academic year ➢ Student does not progress to next grade level until completion of BBAY ➢ After original loan, student may receive additional loans within a BBAY only if: • Student did not receive maximum loan amount and has remaining eligibility; or •Student changes from dependent to independent ➢ Also applies to programs that mix non-standard terms and standard terms and that do not have an SAY

amount at one grade level, provided that the policy is the same for all students in the program.)

If a program can normally be completed in one year of full-time study, a student in that program can never receive more than the 1st-year annual loan limit in any given year, no matter how long it takes the student to finish. (Similarly, a student in a two-year program can never receive more than the 2nd-year annual loan limit for an academic year.)

Grade level progression within the same academic year

In standard term programs, a student who has already borrowed up to the annual limit within an academic year can receive additional loan funds if the student progresses to a grade level with a higher annual loan limit during that same academic year.

For instance, if a dependent student was classified as a 2nd-year student in the fall, he/she might have received as much as $1,750 in the first Stafford disbursement. If the student achieved 3rd-year academic status based on the coursework completed in the fall semester, the student would now be eligible for the $5,500 Stafford annual limit. If the student had sufficient financial need, you could disburse the difference between the amount the student already received and the new annual limit — $3,750 — in the spring term.

In all cases, the student may borrow the difference between the amount already borrowed within the academic year and the student's new loan limit. Usually, the increase in the loan amount can be made as an adjustment to the student's existing loan rather than making a new loan.

Note that for a clock hour, nonterm or non-standard term program, the student will never progress to a higher grade level within an academic year. In a clock hour, nonterm or non-standard term program that is longer than an academic year, the student moves to a higher grade level only when he or she completes the BBAY.

Annual loan limits for students who transfer or change programs

The annual loan limits are based on an academic year. If a student transfers from one school to another school or changes to a different program at the same school and there is an overlap of academic years, this overlap may affect the amount that the student is eligible to borrow at the new school or for the new program.

An overlap in academic years exists if the academic year at the new school or for the new program begins before the calendar end date of the academic year at the prior school or program. A school may obtain documentation from the prior school of the specific beginning and ending dates for the prior academic year, or may consider the prior academic year to have begun with the starting date of the student's most recent loan period (as shown in NSLDS) and to have ended 30 calendar weeks later. (However, if the most recent loan period was

Stafford/PLUS Annual and Aggregate Loan Limits

FFEL — 34 CFR 682.204 and 682.201(a)(3)
DL — 34 CFR 685.203
"Dear Colleague" letter GEN 97-3

Example: additional unsub for independent undergraduate

Dottie is a first-year independent undergraduate student at Ferrar's Institute. Her COA is $9,500, her EFC is $1,800, and she is receiving a $2,000 Pell Grant. Dottie qualifies for a subsidized Stafford Loan of $2,625. She may also receive the maximum additional unsubsidized Stafford Loan amount of $4,000 ($3,075 to cover her unmet need, plus $925 to replace a portion of the EFC). Her total loan amount in subsidized and unsubsidized Stafford Loans is $6,625.

Subsidized and unsubsidized loans

There are two types of loans in the Stafford program: subsidized and unsubsidized. The federal government pays the interest on a subsidized student loan during in-school status, the grace period, and during authorized deferment periods. The student is responsible for paying the interest on an unsubsidized student loan during all periods."

Grade level progression

While the law defines minimum coursework for an academic year, it doesn't define how much coursework a student must complete to progress from one grade level to another. Unless a student's program of study or a school's academic standards clearly specify when this grade level progression takes place, a reasonable approach would be to base grade levels on the number of credits required for the program, divided by the number of academic years it takes a typical student to earn that number of credits. For instance, if your school has a baccalaureate program that requires 120 semester hours of work and is typically completed in four academic years, then you might use a standard of 30 hours completed at each grade level.

Annual Loan Limits: Basic Principles

- Annual loan limits are for an academic year.
- For a standard term credit hour program at a school with a traditional academic calendar, you may use either a Scheduled Academic Year (SAY; usually Fall-Spring with a separate summer session) or a Borrower Based Academic Year (BBAY) that varies from the student norm (such as Summer-Fall). You may also use both the SAY and the BBAY for an individual student at different times during the student's enrollment.
- For a standard term, credit hour program at a school that does not have a traditional academic calendar, you must use a BBAY.
- For a clock hour, nonterm or non-standard term program, or for a program that combines standard and non-standard terms not offered in a traditional academic calendar, you must use a BBAY.
- The loan period can be less than the academic year in some cases.
- In clock hour, nonterm and non-standard term programs, a borrower must successfully complete the weeks of instructional time and credit/clock hours in the program's Title IV academic year before the borrower is eligible for a new annual loan limit.
- The student's maximum annual loan limit increases as the student progresses to higher grade levels.
- In a standard-term program using credit hours, the student will become eligible for a higher loan amount within an academic year if he/she progresses to the next grade level during the academic year.

more than 30 calendar weeks in length, the new school must consider the academic year at the prior school to have ended on the last date of the prior loan period.) Although the examples below involve students who transfer from one school to another school, the same principles would apply in the case of students who change programs within the same school.

Standard term programs

If a student enrolls in a *program with standard terms* after already having taken out a loan at another school with an overlapping academic year, the student initially may not receive more than the annual loan limit minus the amount received at the prior school. However, the student may borrow again for a subsequent term within the same academic year at the new school if the term begins after the end of the academic year at the prior school. For a subsequent term that begins after the end of the prior school's academic year, but within the initial academic year at the new school, the student may borrow up to the difference between the applicable annual loan limit and the amount already received for the new school's academic year.

For example, a student receives a $2,000 Stafford loan at School A for a loan period from May 1 to August 31. The student, a dependent undergraduate, transfers to a program at School B in September and is admitted at grade level 2. The student requests a loan for the Fall and Spring semesters (September-May). School B makes a determination that the academic year at School A ended on November 27 (30 weeks after the start of the loan period at School A). Because the academic year at School B begins before the end of the academic year at School A, the student may initially receive only up to a maximum of $1,500 for the Fall semester at School B. This amount represents the difference between the annual loan limit ($3,500) and the amount received at School A ($2,000) for the overlapping academic year period. At the start of the Spring semester in January (after the end of the academic year at School A), the student may borrow up to an additional $2,000, the difference between the annual loan limit and the amount already borrowed for the Fall-Spring academic year at School B. (As an alternative, School B could choose to place the student on a BBAY schedule beginning with the Spring semester. The student would then be eligible to borrow up to the full annual loan limit for a Spring-Summer BBAY.)

Clock hour, nonterm, and non-standard term programs

If a student enrolls in a clock hour, nonterm, or non-standard term program after already having taken out a loan at another school with an overlapping academic year, the student is restricted to the original annual loan limit until the completion of the first academic year at the new school.

For example, a student receives the first disbursement ($1,312) of a Stafford loan at School A for a loan period from April 1 to December 31. The student, a dependent undergraduate, leaves school A in June and transfers to an 1800 clock hour program at School B. Because the academic years at the two schools overlap, the maximum loan amount that the student may receive for the first academic year of the program at School B (900 clock hours and 30 weeks of instructional time) is $1,313, the difference between the first-year annual loan limit ($2,625) and the amount received at School A ($1,312).

Transfers & grade level

If you're awarding a Stafford loan to a student who is transferring from a program at another school to a program at your school that is greater than one academic year in length, you may use the loan limits for a student in the 2nd-year or higher level of study if your school classifies the student at that level based on the number of academic credits it accepts from the prior school, or based on the granting of advance standing in the new program. Note, however, that if an associate or bachelor's degree is required for entry into a program at your school, you *must* use the 3rd-year loan limits for a student who transfers to that program.

Note that the "Eligibility and Certification Approval Report" lists "1-year" as the highest educational program offered by the school if its longest program is 1 year or more, but less than two years in length. Students in programs longer than 1 year can be paid as 2nd year students even though the ECAR lists the school's highest offering as "1-year." For instance, if a student is enrolled in a 1500-hour program, he/she would be eligible for the 2nd-year loan limits after completing 900 clock hours and 30 weeks of instruction. (However, the loan limit would have to be prorated for the remaining hours of the student's program.)

Stafford Loan limits for graduate and professional students

The subsidized loan limit for a graduate or professional student is $8,500 per academic year. The additional unsubsidized loan limit for graduate or professional students is $10,000 per academic year. (See the box on the next page for a discussion of situations where a

Increasing the loan amount when student changes grade level during the academic year

There may be two ways to make this change:

1. Certify/originate a new loan at the new grade level for the applicable amount (the difference between the new loan limit and the amount of the first loan). The loan period for the new loan must correspond to the term(s) during which the student qualifies for the higher loan limit (that is, it may not include a prior term when the student was classified at a lower grade level). If the new loan period is for a single term, the loan must be disbursed in two installments. (The school could also choose to cancel any pending disbursements of the first loan and certify/originate a new loan for an amount equal to the canceled disbursements of the first loan plus the additional amount for which the student is eligible due to the grade level change.)
2. Adjust the amount of the current loan. For FFEL, contact the lender to determine whether an increased loan amount due to grade level progression within an academic year may be processed as an adjustment without a new loan certification. For Direct Loans, change the grade level in the loan record and increase the amount of the existing loan to the new amount. For both loan programs, if the increased amount is for a single term (for example, a spring semester), it must be disbursed in two equal installments, one at the beginning of the term and one at the midpoint.

Increasing the loan amount when student changes dependency status during the academic year

For any type of educational program (whether term-based or nonterm, credit hour or clock hour), a dependent student who has already borrowed up to the annual loan limit within an academic year can receive additional loan funds if his or her dependency status changes to independent during that same academic year.

Remedial work & grade level

Remedial coursework can be counted towards the student's grade level progression, but only if the school's written and officially approved academic grade level progression policy specifies that remedial coursework can be counted for this purpose. Example: A school requires that the student complete 30 semester hours to progress to second-year grade level, and specifies that up to 10 of the hours may be in the form of remedial coursework.

Loan limits and work in a prior certificate program

A school may not link two stand-alone 1-year programs by making one a prerequisite for admission to the other so that students beginning the second 1-year program could be classified as second-year students for loan limit purposes. However, hours or credits earned in a prior certificate program could be used to classify a transfer student at a grade level higher than grade level 1, if the student transfers into a program that is greater than one academic year in length and the new school accepts a year's worth of credits/hours from the prior program. For instance, if a school admits a transfer student from a certificate program and accepts 900 clock hours that the student earned towards its 1500-hour program, the student could be eligible for the 2nd-year loan limits if other students in the program are eligible for 2nd-year loan limits after completing the first 900 hours of the program.

Graduate & professional cites

FFEL grad/prof limits:
34 CFR 682.204(a)(5), (c)(2), and (d)(5)
DL grad/prof limits:
34 CFR 685.203(a)(5), (b), and (c)(2)(v)

Definition of graduate/professional student:

- is enrolled in a program that is above the baccalaureate level or leads to a first professional degree,
- has completed the equivalent of at least 3 academic years of full-time study at an institution of higher education (either before entrance to the program or as part of the program itself), and
- is not receiving Title IV aid as an undergraduate student for the period of enrollment.

34 CFR 682.200(b)

program combines graduate and undergraduate study, or a student with a degree is pursuing an undergraduate program.)

The regulations define a graduate/professional student as a student who is enrolled in a post baccalaureate or professional program *and* has completed the equivalent of 3 academic years of full-time study at an institution of higher education. (Also, note that a student who is receiving Title IV aid as an undergraduate student can't be considered a graduate/professional student for that same period of enrollment.)

There are several rules to consider if a student is simultaneously taking undergraduate and graduate courses. A student in an undergraduate program can't get the graduate loan limits based on taking graduate coursework as a part of the undergraduate program. In contrast, a graduate student who is taking some undergraduate coursework is eligible for the graduate loan limits if the student is enrolled at least 1/2-time in courses (either graduate or undergraduate) that can be applied to the graduate program requirements. However, the student must already be admitted into the graduate program—a student with a bachelor's degree who is taking preparatory work for graduate school (or whose full admission to the graduate program is contingent upon completion of certain undergraduate courses) is not eligible for graduate loan limits.

PLUS Loan limits

The total PLUS Loan amount borrowed by one or more parents may not exceed the student's estimated cost of attendance minus other financial aid awarded for the period of enrollment. This is the only borrowing limit for PLUS Loans. (Note that if the student for whom a parent is borrowing a PLUS Loan chooses not to apply for a Stafford Loan, the Stafford Loan amount that the student would have been eligible to receive is *not* counted as estimated financial assistance when determining the amount of the PLUS Loan.)

Graduate vs. undergraduate limits: special cases

- **Combined undergraduate/graduate programs.**

Some programs combine undergraduate and graduate study, where the first years of the program are undergraduate study and the final years of the program are graduate study. For instance, in a 5-year program leading to a graduate or professional degree, the school may define the first 3 or 4 years of study as being undergraduate level.

- **Students returning for second baccalaureate degree.**

If a student with a baccalaureate degree enrolls in another baccalaureate program, his/her loan limits would be based on the amount of work that the school counts towards satisfying the requirements of the new program. For instance, if your school decides to accept 30 semester hours of a student's work in her previous baccalaureate program towards the requirements for a BS in Chemistry at your school and 30 semester hours are the amount needed to progress in grade level, then the student would be eligible for second-year undergraduate loan limits.

- **Undergraduate student with graduate degree.**

In some cases, a student who previously received undergraduate and graduate degrees returns to school to complete a second undergraduate program. Only the loans that the student received for the first undergraduate program are included in determining the student's remaining eligibility for loans for the second undergraduate program, up to the undergraduate aggregate limits.

Although loans received for graduate study are not counted toward a student's undergraduate aggregate loan limit, the combined loan amounts received for undergraduate and graduate programs may not exceed the total allowable aggregate loan limits.

- **BA or AA but not a grad/professional student.** A student who has an associate or baccalaureate degree that is required for admission into a program, but is not a graduate or professional student, may borrow up to the highest undergraduate annual loan limit ($5,500 for a dependent student; additional $5,000 in unsubsidized Stafford for an independent student or a dependent student whose parent is not eligible for PLUS), subject to the undergraduate aggregate loan limits.

Preparatory & teacher certification coursework

In Volume 1, Chapter 6, we discussed three instances in which a student may receive a Stafford loan for coursework that is not part of an eligible program. If the student and the academic program meet the conditions described in that Volume, the annual loan limits are:

- **Preparatory coursework required for enrollment in an undergraduate degree or certificate program—course of study not to exceed 12 consecutive months:** $2,625 sub/unsub Stafford for a dependent student; and $4,000 additional unsub Stafford for an independent student or a dependent student whose parent is not eligible for PLUS.

- **Preparatory coursework required for enrollment in a graduate or professional program:** $5,500 sub/unsub Stafford for a dependent student; and $5,000 additional unsub Stafford for an independent student or a dependent student whose parent is not eligible for PLUS.

- **Coursework necessary for state certification (or professional credential) required for teaching—students who already have a baccalaureate degree:** $5,500 in subsidized Stafford Loans and $5,000 additional in unsubsidized Stafford Loans.

PRORATING ANNUAL LOAN LIMITS FOR STAFFORD LOANS (UNDERGRADUATE ONLY)

The annual maximum loan amount an undergraduate student may borrow must be prorated in certain situations:

- when the student is enrolled in a program that is shorter than a full academic year, and

- when the student is enrolled in a program that is one academic year or more in length, but is in a remaining period of study that is shorter than a full academic year.

Please bear in mind that loan limit proration determines the maximum loan amount that a student may borrow for a program or remaining balance of a program, not the loan amount that the student actually receives. In some cases, the actual loan amount that a student is eligible to receive (based on costs, EFC, and other aid) may be less than the prorated loan limit.

Stafford Loan proration
FFEL: 34 CFR 682.204(a), (d)
Direct Loans: 34 CFR 685.203(a), (c)

When and when not to prorate
You must prorate a Stafford Loan limit for an undergraduate program if:
- the academic program is shorter than an academic year, or
- the student's remaining period of study is shorter than an academic year.

Stafford Loan limits are prorated only in these two situations. Loan limits are *not* prorated based on a student's enrollment status, such as when a student is enrolled less than full-time or is enrolled for a period of less than a full academic year that is not a remaining period of study. In addition, Stafford Loan limits are not prorated for students enrolled in graduate or professional level programs.

Prorating loan limits for programs of study shorter than a full academic year

If an academic program is shorter than a full academic year in length, you must multiply the applicable loan limit(s) by the *lesser* of —

$$\frac{\text{Semester, trimester, quarter or clock hours enrolled in program}}{\text{Semester, trimester, quarter or clock hours in academic year}}$$

or

$$\frac{\text{Weeks enrolled in program}}{\text{Weeks in the academic year (at least 30)}}$$

The result is the prorated annual loan limit for that program. (You may express these fractions as decimals to see more easily which is less or to calculate the prorated limit.)

Prorating loan limits for remaining periods of study shorter than an academic year

You must also prorate loan limits for students enrolled in remaining periods of study shorter than an academic year. This circumstance can occur when a student is enrolled in a program that is one academic year or more in length, but the remaining period of study needed to complete the program will be shorter than an academic year.

Proration is required only when it is known in advance that a student will be enrolled for a final period of study that is shorter than an academic year. If a student originally enrolls for a final period of study that is a full academic year in length, but completes the program early in less than a full academic year, it is not necessary to retroactively prorate the annual loan limit.

In a *standard term credit-hour* program, a remaining period of study is considered shorter than an academic year if the remaining period contains fewer terms than the number of terms covered by the school's Title IV academic year. (For programs that are offered in a Scheduled Academic Year, the number of terms covered in the school's Title IV academic year usually does not include any summer "header" or "trailer" term.) For example, a student who is enrolled in a 4-year program that is offered in a Scheduled Academic Year consisting of three quarters plus a summer "trailer" has completed four academic years of study and received four Stafford Loans. The student needs to attend an additional quarter term to complete the program requirements. The final quarter term would fall in a new academic year, and thus the loan maximum would have to be prorated, because the remaining period of study (a single quarter) is less than a full academic year. As another example, a student who is enrolled in a 2-year program without a Scheduled Academic Year where the Title IV academic year covers two 15-week semesters has completed two academic years of study, but needs to return for an additional semester to complete the program requirements. Again, the loan limit would have to be prorated if the student receives a loan for the final semester.

In a *clock hour, nonterm, or non-standard term* program, a remaining period of study is considered less than an academic year if the remaining period consists of fewer clock or credit hours than the program's defined Title IV academic year.

In each of the cases where there is a remaining portion less than an academic year, the annual loan limit for the student's grade level is multiplied by the following fraction to determine the prorated loan limit:

$$\frac{\text{Semester, trimester, quarter or clock hours enrolled in program}}{\text{Semester, trimester, quarter or clock hours in academic year}}$$

Unlike proration for programs that are shorter than an academic year, there is no comparison of weeks and hours. *Only the credit or clock hours that the student is scheduled to attend or is actually attending at the time of certification or origination are used in the calculation*.

Using school's definition of academic year if > FSA minimum

A school may choose to define its academic year as longer in weeks or hours than the minimum statutory requirements. If so, then it's the school's standard – not the statutory minimum – that applies when determining whether a program or a final period of study is shorter than an academic year.

Proration not required

Loan proration requirements do not apply to loans made to students taking preparatory coursework or coursework necessary for teacher certification. The annual loan limit must be prorated only when a student is enrolled in a program or remaining portion of a program that is shorter than an academic year. Students taking preparatory coursework or coursework needed for teacher certification are not enrolled in a program.

Note on fractions and decimals for prorating Stafford Loans

It is acceptable to convert the fraction to a decimal and then multiply the annual loan limit by the decimal, but this conversion is not a requirement. You may still choose to multiply the annual loan limit by the original fraction. However, you should be consistent in the method you use, since the fraction and decimal calculations sometimes result in slightly different prorated loan limits. (The decimal method will generally—if not always—result in an amount that is equal to or slightly higher than the amount calculated using the original fraction.)

Proration examples for programs shorter than an academic year

Example 1

Program= 400 clock hrs, 12 weeks of instructional time

Academic year = 900 clock hrs, 30 weeks of instructional time

Jill is a dependent student enrolled in a 12-week program at Hancock Career College. HCC defines the academic year for this program as 900 clock hours providing 30 weeks of instructional time. Measured in clock hours, Jill's program is 400 clock hours long.

To determine the maximum loan amount she can borrow, convert the fractions based on weeks (12/30 = .40) and hours (400/900 = .44) to decimals. Multiply the smaller decimal (.40) by the first-year annual loan limit: $2,625 x .40 = $1,050. The maximum combined subsidized and unsubsidized loan amount Jill can borrow for the program is $1,050.

Example 2

Program = 24 quarter hours, 20 weeks of instructional time

Academic year = 36 credit hrs, 30 weeks of instructional time

Morgan is an independent student enrolled in a program at Hancock Career College that provides 24 quarter hours and 20 weeks of instructional time. HCC defines the academic year for this program as 36 quarter hours and 30 weeks of instructional time. To determine the maximum loan amount she can borrow, convert the fractions based on weeks (20/30 = .67) and quarter hours (24/36 = .67) to decimals. Multiply the smaller decimal (in this case, both are .67) by the first-year annual loan limits for subsidized and unsubsidized Stafford:

$6,625 x .67 = $4,439 total Stafford

$2,625 x .67 = $1,759 subsidized

The maximum combined subsidized and unsubsidized Stafford amount Morgan can borrow for the program is $4,439, with the subsidized loan amount limited to $1,759.

Loan Limit Proration example for remaining period of study shorter than an academic year

Example 1

Academic year contains 3 quarters
Remaining period = 1 quarter

Fall	Winter	Spring

Fall	Winter	Spring

Fall (remaining period)	Winter	Spring

Rudy has attended 6 quarters in a 2-year program at Beulah Community College, but to finish the program, he needs to attend an additional quarter as a half-time student (6 quarter hours). Rudy is a dependent undergraduate student, and BCC defines its academic year (covering three quarters) as 36 quarter hours and 30 weeks of instructional time.

To determine the prorated Stafford loan limit, convert the fraction based on the hours that Rudy is expected to attend and the hours in the academic year to a decimal (6/36 = .17). Multiply this decimal by the second-year undergraduate annual loan limit:
$3,500 x .17 = $595.

Example 2

Academic year contains 2 semesters
Remaining period = 1 semester

Fall	Spring

Fall (remaining period)	Spring

Rudy transfers to a BA program at Lacy Springs College. By taking 18 hours a semester, he will be able to graduate in the Fall term of his second year. Rudy is a dependent undergraduate student, and Lacy Springs defines its academic year (covering two semesters) as 24 credit hours and 30 weeks of instructional time.

To determine the prorated Stafford loan limit, convert the fraction based on credit hours to a decimal (18/24 = .75). Multiply this decimal by the fourth-year undergraduate annual loan limit:
$5,500 x .75 = $4,125.

Example 3

Program = 1800 clock hours
Academic year = 900 clock hours and 30 weeks of instructional time

Year 1: Student Completes 1050 clock hours in 30 weeks
Year 2: 750 clock hours remaining in program

Knox Career College has an 1800 clock hour program and defines its academic year as 900 clock hours and 30 weeks of instructional time. Sally, a dependent undergraduate student, successfully completes the first 900 clock hours of the program in 26 weeks of instructional time. However, she must complete an additional four weeks of instructional time before she may receive a second loan. After 30 weeks of instructional time have elapsed, Sally has successfully completed 1050 clock hours. She may then receive a second loan, but the loan limit must be prorated based on the number of clock hours remaining in her program at this point.

To determine the prorated loan limit for Sally's second loan, convert the fraction based on the clock hours remaining to a decimal (750/900 = .83). Multiply this decimal by the second-year undergraduate annual loan limit:
$3,500 x .83 = $2,905

Proration example for remaining period of study with a scheduled period of non-enrollment

O'Donnell Institute has an academic year that covers three quarters: fall, winter, and spring. Rosie will be enrolling in the fall and spring quarters, but not the winter quarter, and will graduate at the end of the spring quarter.

Because the fall quarter is in the same academic year as Rosie's final quarter, it is part of the final period of study, even though there is a term between the final quarter and the fall quarter in which she will not enroll. O'Donnell Institute may award Rosie a single loan for the fall and spring quarters (costs for the winter quarter must be excluded), or separate loans for fall and spring. In either case, the annual loan limit must be prorated. (Note that if Rosie decided to enroll for the winter quarter on a less than half-time basis, her remaining period of study – three terms— would be equal to a full academic year and proration would not be required for a loan covering the fall and spring quarters.)

Fall	Winter	Spring
enrolled	not enrolled	enrolled

AGGREGATE LOAN LIMITS

A borrower who has reached his or her aggregate borrowing limit may not receive additional loans. Once the loans are repaid, in full or in part, the borrower may apply for additional Stafford Loans.

The maximum outstanding **total subsidized and unsubsidized** Stafford Loan debt is:

- $23,000 for a dependent undergraduate student,

- $46,000 for an independent undergraduate student (or a dependent undergraduate student whose parents do not qualify for PLUS loans). No more than $23,000 of this aggregate amount may be in the form of subsidized loans.

- $138,500 for a graduate or professional student (including loans for undergraduate study). No more than $65,500 of this aggregate amount may be in the form of subsidized loans.

The loan amounts counted towards these maximums include any outstanding amounts borrowed in the form of Stafford Loans or Supplemental Loans for Students program (the discontinued SLS program). In the case of a Consolidation Loan, the outstanding amount of the Consolidation Loan representing any underlying Stafford or SLS loans that were paid off by the Consolidation Loan is counted towards the aggregate Stafford loan limits.

Checking loan amounts on NSLDS

If a student at your school has FSA loans that were received at other schools, you may need to check the National Student Loan Data System (NSLDS) Web site to make sure the student still has remaining eligibility under the aggregate loan limits.

As long as there is no conflicting information, you may rely on the financial aid history (provided on the ISIR as well as the NSLDS Web site) and the Transfer Student Monitoring process to tell you if a student is about to exceed the aggregate Stafford loan limits. (The NSLDS financial aid history may affect eligibility for other FSA programs, so it is discussed in more detail in Volume 1, Chapter 3.)

If you need to review your student's loan history on NSLDS, keep in mind that the loan amounts for any Stafford or SLS loans that were once in repayment status may include accrued interest, collection cost, fees, and / or capitalized interest. None of these charges should be included when you're checking to see how much the student has borrowed against the aggregate limits for subsidized Stafford loans and total Stafford borrowing.

Aggregate Loan Limits

FFEL: 34 CFR 682.204(b), (e)
DL: 34 CFR 685.203(d), (e)

Effect of change in student status on aggregate loan limits

In some cases, a student may qualify for higher loan limits, but then lose the eligibility for the higher limits. This situation could occur because a dependent student's parent received a PLUS loan after having been denied in previous years, and the student therefore could no longer borrow at the independent student loan levels, or because a student with a graduate degree entered an undergraduate degree program. In these cases, you only count the loan amounts that the student would have received under his/her *current* eligibility as an undergraduate or dependent student against the applicable undergraduate aggregate loan limit.

For instance, if a dependent student was treated as an independent student for loan limit purposes and received additional unsubsidized Stafford amounts for the first 3 years at your school because a parent was denied a PLUS loan for each of those years, but a parent was eligible to borrow PLUS for the student's fourth year, the student would be eligible for the following Stafford amounts:

1st year (independent student loan limit) = $6,625
2nd year (independent student loan limit) = $7,500
3rd year (independent student loan limit) = $10,500
4th year (dependent student loan limit) = $5,500

The additional unsubsidized Stafford Loan amount of $13,000 that the student received in the first three years of the undergraduate program is not counted against the $23,000 dependent undergraduate aggregate loan limit. Excluding the additional unsubsidized amount, the student received only $11,625 for the first three years. The student may therefore receive the entire 4th year maximum loan amount, even though the student's total outstanding Stafford Loan amount is $30,125.

Resolving negative information in NSLDS

If you can document that the student is eligible for FSA funds despite the information shown on NSLDS, you may award and disburse aid. An example would be if the NSLDS Financial Aid History page of the SAR or ISIR shows that the student has a defaulted loan, but you have obtained documentation from the holder of the loan that the borrower had made "satisfactory arrangements to repay."
GEN-96-13, Q&A 37

The aggregate loan limits do not include accrued interest and other charges. To avoid counting interest and other charges when determining a student's remaining loan eligibility using NSLDS, use the **aggregate outstanding principal balance (Agg OPB)** shown in NSLDS for each of the student's outstanding Stafford loans. For instance, if the student has been making payments on a $2,625 loan and the aggregate outstanding principal balance is now $2,100, count the $2,100 towards the student's aggregate loan limit.

Using NSLDS to establish the subsidized and unsubsidized Stafford portions of a Consolidation Loan

The **Agg OPB** shown in NSLDS for a Consolidation Loan may include payoff amounts on the underlying loans that should not be counted toward the aggregate Stafford Loan limits.

The subsidized and unsubsidized amounts of Direct Consolidation Loans have always been reported to NSLDS along with the total loan amount. The specific amounts for underlying subsidized and unsubsidized loans are not available for FFEL Consolidation Loans from private lenders, but NSLDS now provides an estimate of the Subsidized, Unsubsidized, and "Unallocated" amounts included in an FFEL Consolidation Loan.

Since Stafford and Perkins loans are reported to NSLDS, the system will be able to properly categorize those loans. (Perkins Loans are not counted towards the Stafford loan limits, but loans from the SLS program in the 1980s are included, because SLS was a forerunner of today's unsubsidized Stafford Loan.)

However, the FFEL Consolidation Loan may also include some non-Title IV loans that NSLDS can't identify, such as loans from the Health and Human Services (HHS) programs. If NSLDS can't determine from the reported underlying loans whether part of a FFEL Consolidation Loan should be counted in the subsidized or unsubsidized category, it will report that portion as "Unallocated."

Treatment of consolidated Perkins Loans

The treatment of consolidated Perkins Loans differs in the FFEL and Direct Loan programs. When a Perkins Loan is consolidated into a FFEL Consolidation Loan, it is treated as an unsubsidized loan. In contrast, a Perkins Loan that is consolidated into a Direct Consolidation Loan is treated as a subsidized loan. However, a consolidated Perkins Loan is not counted toward the aggregate Stafford Loan limits in either the FFEL or Direct Loan program.

When to review "unallocated" amounts for an FFEL Consolidation Loan

In general, you only need to review unallocated amounts if the student is near the aggregate limits and reducing the unallocated amount would enable the student to borrow additional loans.

NSLDS on the Web

You can review the complete student loan history for your students and generate reports on the NSLDS Web site for aid professionals:

https://www.nsldsfap.ed.gov/

NSLDS guides & help center

Guides for Enrollment Reporting, Transfer Student Monitoring and other user documentation are currently posted on IFAP under "Current FSA Publications" or "On Line References."

Also see NSLDS Newsletter #6 on IFAP for more specific information on how the OPB and Agg OPB are calculated in NSLDS.

Technical assistance for NSLDS is available by calling :

1-800-999-8219

Status codes that indicate loan has been consolidated

- ➔ PC—Paid in Full Through Consolidation Loan
- ➔ PN—Non-defaulted; Paid in Full Through Consolidation Loan
- ➔ DN—Defaulted, Paid in Full Through Consolidation Loan

In addition to the three status codes listed above, the following status codes may also identify a loan that has been consolidated (see next sidebar):

- ➔ PF—Paid-in-Full
- ➔ DP —Defaulted Paid-in-Full

You can find a list of status codes and their definitions by clicking on "?" located in the upper left-hand corner of the NSLDS screen.

PF and DP loan status codes now assumed to be "underlying" loans

Because many data providers have been using PF (Paid-in-Full) and DP (Defaulted Paid-in-Full) to identify loans that have been consolidated, NSLDS now treats loans with these codes as underlying loans that have been consolidated. The new treatment of PF and DP loans began on August 25, 2003.

Previously, only loans identified as PC, PN, and DN were counted as underlying loans. This change means that NSLDS will not include loans with Status Codes of PF and DP, as well as PC, PN, and DN, when calculating the student's Outstanding Aggregate Principal Balance. (Dear Partner Letter GEN-03-12 describes how this change was made in the NSLDS system.)

For example, if the "unallocated amount" would not affect the award limit even if it turned out to be composed of subsidized Stafford amounts, you could make a new subsidized Stafford loan to a student without checking further.

Financial Aid History Requirement & NSLDS

To ensure that a student doesn't exceed the annual and aggregate Stafford Loan limits, the student's FAFSA data is matched with the National Student Loan Data System and the student's loan history is included in the ISIR. If a student transfers to your school, you must inform NSLDS so that it can begin the Transfer Student Monitoring process. More detailed information on how this requirement applies to all of the FSA programs can be found in Volume 1, Chapter 3 of the FSA Handbook.

Excluding capitalized interest or a PLUS or HHS loan

If the unallocated or subsidized amounts in the Consolidation Loan could make a difference in the student's remaining loan eligibility, then you must find out if any of the unallocated amount includes loan debts that don't count towards the Stafford limits.

If you can identify the source of the subsidized or unallocated portions of the Consolidation Loan, you can determine whether those amounts count against the aggregate Stafford limit. The following types of indebtedness may be included in the "unallocated" or "subsidized" amounts, but should not be counted towards the aggregate Stafford limit:

- capitalized interest on the underlying loans,
- underlying loans from the borrower's spouse, and/or
- an HHS loan (HHS loans are not reported to NSLDS, so we are unable to automatically exclude them).

School's responsibilities for checking NSLDS data

In some instances, because of timing or coding problems by lenders and guaranty agencies, all of the loans that made up a consolidation loan will not be included in the NSLDS. Schools will be responsible only for the data contained in the NSLDS and are not expected to research further or to make assumptions regarding other non 'PC' loans contained in the NSLDS.
GEN-96-13, Q&As 54 and 55

Using Disbursed Amount or Aggregate OPB to establish the amounts borrowed through underlying loans

Since students generally consolidate all of their open loans at one time, you can usually find the underlying FSA loans by looking at the disbursement date and amount disbursed of the consolidation loan and comparing it to the student's earlier loans. (If the payoff is completed on those loans, they will have a code of PC, PN, DN, PF, or DP.) If the underlying loan is paid off, you may use the Disbursed Amount to determine the aggregate subsidized Stafford and unsubsidized Stafford amounts within the Consolidation Loan. (This process will exclude any capitalized interest.) For loans that have not been paid off, use the Aggregate Outstanding Principal Balance. You should document your findings or calculations for audit purposes.

Situations where NSLDS may double-count the Consolidation Loan and the underlying loans

To avoid double-counting the Consolidation Loan and its underlying loans, we've modified NSLDS to exclude a Consolidation Loan from the aggregate amount if it was made in the previous 60 days and none of the underlying loans have yet been reported as paid off (NSLDS Loan Status Code of PC, PN, DN, PF, or DP). Since the underlying loans are still in an open status, they will be reflected in the aggregate totals, but the consolidation loan will not.

You may find cases where some but not all of the underlying loans are shown as consolidated, thus triggering the inclusion of the Consolidation Loan. In this case, NSLDS is also including the outstanding principal balance of the underlying loans that have not yet been consolidated. Rather than waiting until the rest of the underlying loans have been updated in NSLDS, you can use NSLDS to find the underlying FSA loans, recalculate the aggregate totals, and award new loans as may be appropriate for that student.

In some instances, because of timing or coding problems by the entities reporting to NSLDS, not all of the loans that made up a Consolidation Loan will be included in the NSLDS. *Schools are only responsible for data that is available in the NSLDS or for resolving any conflicting information that may be obtained from another source (e.g., a copy of the consolidation application or other consolidation paperwork provided by the borrower).'"*

Unallocated loan amounts that are counted towards the aggregate limit

Unallocated amounts can also include underlying loan balances that *do* count towards the student's aggregate loan limits if an FFEL or Direct Loan did not yet get added to the student's record in NSLDS because of an edit condition.

Example: Consolidation and Stafford Loan Limits

An independent undergraduate student transfers to your school to complete her fourth year of baccalaureate study. She applies for a Stafford Loan and has financial need for the maximum annual loan amount ($5,500 in subsidized Stafford and $5,000 in unsubsidized Stafford). Her NSLDS record indicates that she has an Agg OPB of $24,625 on a Consolidation Loan made by a FFEL lender. Because the undergraduate aggregate subsidized limit is $23,000, you cannot disburse any subsidized loan funds unless you can determine that the total amount of subsidized Stafford loans represented in the consolidation amount is less than $23,000.

The student's loan record shows that her Consolidation Loan was made on August 30, 2000. She previously had three subsidized loans that were paid through consolidation (PC) earlier in July and August. The Disbursed Amounts for her loans are: $2,625 for her first-year loan, $3,500 in her second year, and $5,500 in her third year. The NSLDS record also shows two unsubsidized loans, paid-in-full in July and August, which she received in her second and third years, when she qualified as an independent student.

STAFFORD LOANS (CONSOLIDATED)		STAFFORD LIMIT	REMAINING ELIGIBILITY
Subsidized	$2,625		
Subsidized	$3,500		
Subsidized	$5,500		
TOTAL SUBSIDIZED	$11,625	$23,000	$11,375
Unsubsidized	$4,000		
Unsubsidized	$5,000		
TOTAL SUB + UNSUB	$20,625	$46,000	$25,375

Adding the loans up, we can see that the student has received a total of $11,625 in subsidized Stafford and an overall total of $20,625 in Stafford funds.* Therefore, you may pay the student her full loan amounts ($5,500 subsidized and $5,000 unsubsidized) without exceeding the aggregate Stafford loan limits for an independent undergraduate.

*There are several possible reasons why the $25,000 Consolidation Loan is greater than the total Stafford borrowed ($20,625)— the Consolidation amount may include Perkins or health loans that have been consolidated, or it may include capitalized interest or other charges.

EFFECT OF OVERBORROWING

A student who has inadvertently received more than the annual or aggregate Stafford loan limits is ineligible to receive *any* FSA funds until the overborrowing is resolved. The student can regain eligibility for aid by repaying the amount that exceeded the Stafford annual or aggregate loan limits, or by making satisfactory arrangements with the Stafford lender (or the DL servicer) to repay the excess amount. The holder of the loan may choose to develop a repayment plan that has the borrower reaffirm that he or she will repay the excess according to the terms and timing of the original promissory note. If the inadvertent overborrowing occurred at your school, you should work with the student and the loan holder to ensure that the necessary actions are taken to restore the student's eligibility.

Once you have documented that the student has either repaid the excess loan amount or has made satisfactory arrangements with the loan holder to repay the excess amount, you may award additional aid. However, the student may or may not be eligible to receive additional Stafford loan funds, depending on the circumstances. For example, a dependent undergraduate who inadvertently exceeded the $23,000 aggregate Stafford limit could not receive any additional Stafford loan funds as a dependent undergraduate unless the outstanding debt was paid down below the $23,000 limit. However, the student could receive additional non-Stafford aid. An independent undergraduate who inadvertently exceeded the $23,000 subsidized limit (but who has not reached the $46,000 combined aggregate loan limit for independent undergraduates) could borrow additional unsubsidized Stafford once he or she makes satisfactory arrangements to repay the subsidized amount that exceeds $23,000.

Method used in NSLDS to estimate subsidized and unsubsidized FFEL amounts

- **Calculated Subsidized Agg. OPB**
- **Calculated Unsubsidized Agg. OPB**
- **Calculated Unallocated Agg. OPB**

NSLDS takes the total amount originally disbursed for all of the identified underlying subsidized loans and divides that amount by the originally disbursed amount of the Consolidation loan, which approximates the percentage of the total original consolidation loan that can be attributed to the subsidized loans. This percentage is then applied to the current outstanding balance of the Consolidation loan with the result being the amount that is included in the NSLDS calculation of the total amount of Subsidized loans for the student.

A similar process is followed to allocate the unsubsidized amount.

NSLDS subtracts the total of the calculated subsidized and unsubsidized outstanding balance amounts from the actual outstanding balance of the consolidation loan. Any balance is considered to be "unallocated."

NSLDS assumes the amount was borrowed from the FFEL or Direct Loan programs and is included in the total combined balance. However, none of the "unallocated" amount is included in the Subsidized balance as it is unlikely to have come from a Subsidized Loan.

Consolidation of loan amounts that exceed the annual or aggregate loan limit

If a borrower who inadvertently received more than the annual or aggregate Stafford loan limits has consolidated the loan(s) that caused the borrower to exceed the loan limit, the consolidation loan is considered to be a satisfactory arrangement to repay the excess amount that restores the borrower's eligibility for Title IV aid. (Note, however, that consolidation of an amount that exceeded the aggregate Stafford loan limits does not automatically make a student eligible for additional Stafford Loan funds. See the discussion on this page under "Effect of Overborrowing.")

Example: Resolving cases of overborrowing

Beth, an independent undergraduate student, is applying for a Stafford loan for her fifth and final year of baccalaureate study at your college. Beth has remaining loan eligibility under the $46,000 combined aggregate loan limit for independent undergraduates and at first, she appears to be within the aggregate limit for undergraduate subsidized Stafford loans.

However, you have recently become aware that Beth previously borrowed Stafford loans while attending a community college several years prior to coming to your college.

STAFFORD LOANS

Subsidized BANK ONE 1991	$2,625
Subsidized BANK ONE 1992	$3,500
Subsidized BANK TWO 1998	$2,625
Subsidized BANK TWO 1999	$3,500
Subsidized BANK TWO 2000	$5,500
Subsidized BANK THREE 2001	$5,500
TOTAL SUBSIDIZED	$23,250

In fact, your review of her NSLDS records indicates that Beth has borrowed $250 in subsidized Stafford loans in excess of the aggregate undergraduate limit. Because the loan made by BANK THREE was the one that exceeded the loan limit, Beth needs to make arrangements with BANK THREE to repay the amount for which she was not eligible.

When BANK THREE has confirmed that Beth has made satisfactory arrangements to repay the excess loan amount, you may make other FSA awards to Beth, including unsubsidized Stafford loans.

You can't make a subsidized Stafford loan to Beth until she has repaid the $250 that exceeds the aggregate subsidized Stafford loan limit *and* further repaid enough of her outstanding balance to be eligible for the Stafford amount that you intend to award to her. (For instance, you could not award her a new $5,500 Stafford Loan until she has reduced her outstanding balance to $17,500.)

Annual Limits for Stafford Loans

	Subsidized	Total (subsidized & unsubsidized)
Dependent Undergraduates		
First Year	$ 2,625	$ 2,625
Second Year	$ 3,500	$ 3,500
Third Year and Beyond	$ 5,500	$ 5,500
Independent Undergraduates, etc.		
First Year	$ 2,625	$ 6,625
Second Year	$ 3,500	$ 7,500
Third Year and Beyond	$ 5,500	$ 10,500
Graduate & Professional Students		
All Years of Study	$ 8,500	$ 18,500

Note: All undergraduate annual loan amounts are subject to proration.

Aggregate Limits for Stafford Loans

	Subsidized	Total (subsidized & unsubsidized)
Dependent Undergraduates	$ 23,000	SAME
Independent Undergraduates, etc.	$ 23,000	$ 46,000
Graduate & Professional Students	$ 65,500	$ 138,500

Note: Certain health professions students may qualify for higher annual & aggregate limits—see discussion at the end of this chapter.

Example: Combined Loan Limits

An independent student receives the following loan amounts for a first undergraduate program and a graduate program:

	First undergraduate program:	**Graduate program:**	**Total:**
subsidized	**$20,500**	**$45,000**	**$65,500**
unsubsidized	**$10,000**	**$40,000**	**$50,000**

The student has now enrolled in a second undergraduate program. Only the loans received for the first undergraduate program are counted toward the student's *undergraduate* aggregate loan limit. Because the total amount received for the first undergraduate program ($30,500) does not exceed the aggregate loan limit for an independent undergraduate ($46,000, maximum $23,000 subsidized), the student has remaining loan eligibility of up to $15,500 for the second undergraduate program.

However, the loans received for the graduate program must be considered in determining whether the student has exceeded the *total* aggregate loan limits. In this case, the total subsidized amount already received ($65,500) is the maximum subsidized amount that a student may receive for undergraduate and graduate study combined. Therefore, the student may receive only unsubsidized loans for the second undergraduate program.

Increased Eligibility for Health Professions Students

The Health Education Assistance Loan (HEAL) Program, a loan program for health professions students administered by the Department of Health and Human Services, was gradually phased out beginning in 1995. The phaseout has now been completed, and no further HEAL Program loans are being made. To replace loan funds that otherwise would have been available under the HEAL Program, certain health professions students may borrow increased unsubsidized Stafford Loan amounts.

With the complete phaseout of HEAL, the Department has removed the earlier restrictions that limited participation to schools that had disbursed HEAL loans in fiscal year 1995 and to students who, as of October 1, 1995, were not HEAL borrowers.

Increased unsubsidized amounts

For any loan period beginning on or after May 1, 1999, schools may award the increased unsubsidized amounts to students who are enrolled at least half-time in a health professions discipline that (1) was eligible under the HEAL Program and (2) is accredited by an approved accrediting agency. (See "Dear Partner" Letter GEN-99-21.) The disciplines that were eligible under the HEAL Program and the approved accrediting agencies for these disciplines are shown in the loan limit chart for the increased unsubsidized amounts on the next page. Note that the HEAL Program required a need analysis test, while need analysis (represented by the EFC) is not required for unsubsidized Stafford loans.

NOTE: Foreign schools were not eligible to participate in the HEAL Program, and they may not award the increased unsubsidized Stafford Loan amounts.

Increased annual loan limits

Because the increased annual unsubsidized Stafford Loan limits are intended to replace funds that would have been available previously under the HEAL Program, the annual loan limits for the increased unsubsidized amounts are the same as the HEAL Program annual loan limits. The chart on the next page shows the annual loan limits for the increased unsubsidized amounts, which vary by discipline and academic year (AY) length, as well as the approved accrediting agency for each discipline.

Increased aggregate loan limits

Graduate and Professional. The combined subsidized/unsubsidized aggregate loan limit for graduate and professional health professions students who are eligible to receive the increased unsubsidized amounts is $189,125 (not more than $65,500 of this amount may be in subsidized loans).

This increased aggregate loan limit would permit a student to receive the current maximum Stafford annual loan limits for four years of undergraduate study ($6,625 + $7,500 + $10,500 + $10,500) and four years of graduate/professional study ($18,500 x 4), plus the maximum increased unsubsidized loan limit for an academic year covering nine months for four years of graduate/professional study ($20,000 x 4).

Undergraduate. The combined subsidized/unsubsidized aggregate loan limit for undergraduate health profession students (Bachelor of Science in Pharmacology) who are eligible to receive the increased unsubsidized amounts is $70,625 (not more than $23,000 of this amount may be in subsidized loans).

This increased aggregate loan limit would permit a student to receive the current maximum Stafford annual loan limits for five years of undergraduate study ($6,625 + $7,500 + $10,500 + $10,500 + $10,500), plus the maximum increased unsubsidized loan limit for an academic year covering nine months for the fourth and fifth years of undergraduate study ($12,500 x 2).

Increased unsubsidized loan amounts for naturopathic medicine students

In addition to the health professions disciplines that were eligible under the HEAL Program, domestic schools may also award additional unsubsidized Stafford Loan amounts to students enrolled in certain Naturopathic Medicine programs. To qualify for the additional unsubsidized amounts, the student must be enrolled in a program that leads to a Doctor of Naturopathic Medicine (N.M.D.) degree or a Doctor of Naturopathy (N.D.) degree, and the program must be accredited by the Council on Naturopathic Medical Education (CNME).

The authority to award additional unsubsidized Stafford Loan amounts to eligible Naturopathic Medicine students is effective for any loan period that begins on or after May 1, 2005. The maximum annual additional unsubsidized amount is $20,000 for a program with an academic year covering nine months, and $26,667 for a program with an academic year covering 12 months. (For a program with an academic year covering 10 or 11 months, the annual additional unsubsidized loan limit must be prorated as described in the chart on the following page.)

The increased aggregate Stafford loan limit for eligible Naturopathic Medicine students is $189,125 (not more than $65,000 of this amount may be in subsidized loans).

For additional information, see Dear Colleague Letter GEN-05-09.

Effect of transfer to non-health profession program of study

If a student receives the additional Stafford loan amounts on the basis of study in a health profession program, but then leaves that program and enters a program in a different field, the student is no longer eligible for the increased Stafford loan limits. However, the additional loan amounts received on the basis of health professions study are not counted toward the normal aggregate Stafford loan limit for that student.

Programs Eligible for:

Additional $20,000 in Unsubsidized Loans for an Academic Year covering 9 months
Additional $26,667 in Unsubsidized Loans for an Academic Year covering 12 months

Doctor of Allopathic Medicine	Accreditation: Liaison Committee on Medical Education
Doctor of Osteopathic Medicine	Accreditation: American Osteopathic Association, Bureau of Professional Education
Doctor of Dentistry	Accreditation: American Dental Association, Commission on Dental Accreditation
Doctor of Veterinary Medicine	Accreditation: American Veterinary Medical Association, Council on Education
Doctor of Optometry	Accreditation: American Optometric Association, Council on Optometric Education
Doctor of Podiatric Medicine	Accreditation: American Podiatric Medical Association, Council on Podiatric Medical Education

Additional $12,500 in Unsubsidized Loans for an Academic Year covering 9 months
Additional $16,667 in Unsubsidized Loans for an Academic Year covering 12 months

Master of Science in Pharmacy (also 4th & 5th yr. Bachelor's & some Doctorate students)*	Accreditation: Accreditation Council for Pharmacy Education
Graduate in Public Health	Accreditation: Council on Education for Public Health
Doctor of Chiropractic	Accreditation: Council on Chiropractic Education, Commission on Accreditation
Doctoral Degree in Clinical Psychology	Accreditation: American Psychological Association, Committee on Accreditation
Masters or Doctoral Degree in Health Administration	Accreditation: Accrediting Commission on Education for Health Services Administration

PRORATION OF ANNUAL LOAN LIMIT FOR ACADEMIC YEAR COVERING 10 OR 11-MONTHS: For programs with an academic year covering 10 or 11 months, the annual additional unsubsidized loan limit must be prorated. If the academic year covers 10 or 11 months, the prorated annual loan limit is determined by dividing the applicable loan limit for an academic year covering 9 months by 9, and then multiplying the result by 10 or 11.

EXAMPLE OF ANNUAL LOAN LIMIT: The increased unsubsidized amounts that an eligible health professions student may receive are in addition to the regular Stafford annual loan limits. For example, a student enrolled in a 9-month Doctor of Dentistry program is eligible for the regular Stafford subsidized/unsubsidized annual loan maximum for a graduate/professional student ($18,500, not more than $8,500 of which may be subsidized), plus the maximum increased unsubsidized amount of $20,000, for a total Stafford loan maximum of $38,500.

* Consistent with HEAL's rules, students enrolled in a Doctor of Pharmacy program may receive the increased unsubsidized amounts only if they are not required to have a Bachelor or Master of Science in Pharmacy as a prerequisite for the Doctorate degree. A Pharmacy doctorate student who meets this condition is eligible for the same annual loan limits as students enrolled in a Bachelor or Masters of Pharmacy program. Only one undergraduate program (Bachelor of Science in Pharmacy) was eligible under the HEAL Program. In accordance with HEAL Program rules, a student enrolled in a Bachelor of Science in Pharmacy program may receive the increased unsubsidized amounts only for the fourth and fifth years of the program. In addition (consistent with general FSA requirements, a dependent undergraduate may receive the increased unsubsidized amounts only if the student's parent is unable to borrow a PLUS loan.

Awarding Campus-Based Aid

CHAPTER 5

Your school has more latitude in selecting recipients of its Campus-Based funds than in Pell or Stafford/PLUS. This chapter discusses the criteria that you must consider when selecting campus-based recipients, and the amounts that you may award to them. In addition, the student must meet the general eligibility criteria discussed in Volume I, and your Campus-Based awards may not exceed the student's financial need, as described in Chapter 6 on packaging.

GENERAL CAMPUS-BASED AWARD RULES

Selecting independent & part-time students

If any part of a school's FSEOG, FWS, or Federal Perkins Loan allocation is directly or indirectly based on the financial need of independent students or students who are attending part-time, then you must offer a *reasonable proportion* of the FSEOG allocation, the FWS allocation, and the dollar amount of the loans made from the Perkins revolving fund to such students. This requirement includes part-time students at eligible branch campuses as well as part-time students on the home campus. A policy that excludes part-time or independent students is not acceptable.

"Part-time students" also include correspondence students. To be considered enrolled in a program of correspondence study, the student must be enrolled in a degree-seeking program and must have completed and submitted the first lesson.

Uneven costs/unequal disbursements

If the student incurs uneven costs or receives uneven resources during the year and needs extra funds in a particular payment period, you may make unequal disbursements of FSEOG and Perkins. There is no explicit provision for unequal disbursements in FWS. However, because FWS wages are disbursed as work is performed, usually on a weekly or bi-weekly schedule, total disbursement amounts are likely to be different from one payment period to the next. In addition, as we'll discuss in the FWS section, a student may be paid for work performed during certain periods of non-attendance.

Summer school and special sessions

A student who enrolls as a regular student in an eligible program during summer school or a special session may receive Campus-Based aid if he or she meets the same general eligibility requirements that apply to a student enrolled in a regular session. If a student is not enrolled during the summer or special session, the student is not eligible to receive campus-based aid during the period of **nonattendance**, except in the case of an FWS job. (See FWS discussion in this chapter).

CHAPTER 5 HIGHLIGHTS

FSEOG:
- Undergraduate only — see Volume 1 for rules.
- Maximum $4,000 Minimum $100
- Priority order for FSEOG recipients is based on Pell eligibility and lowest EFCs.

Perkins:
- Undergraduate/graduate eligibility.
- Undergraduate: $4,000 per year and $20,000/agg.
- Graduate: $6,000/year and $40,000/agg.
- Selection based on exceptional financial need as defined by school
- Also note Equal Credit Opportunity requirements

FWS
- Undergraduate/graduate eligibility.
- Awards based on academic workloads & other factors, packaged based on *net earnings*, after taxes and job-related costs are subtracted.
- Student may be employed during certain periods of nonattendance.

Related Information:
- See Chapter 6 of this Volume for a discussion of packaging Campus-based aid with other assistance so as not to exceed the student's financial need.
- See Volume 1 for rules on undergraduate vs. graduate status.
- See Volume 4 for rules governing timing of disbursements & general FSA funds management.
- See Volume 6 for information on operating an FWS or Perkins Loan program, including allowable types of employment, JLD and Work-Colleges, due diligence in making Perkins loans, terms of repayment, etc.

Selecting independent and part-time students

34 CFR 674.10(b), 675.10(c), 34 CFR 676.10(b)

AWARDING FSEOG

Award Amounts

The maximum Federal Supplemental Educational Opportunity Grant (FSEOG) for a full academic year is usually $4,000. However, you may award as much as $4,400 to a student participating in a study-abroad program that is approved for credit by the home school. The minimum FSEOG amount is $100, but you may prorate this amount if the student is enrolled for less than an academic year.

Selecting FSEOG Recipients

When awarding FSEOG funds for an award year, you must first select students with the lowest expected family contributions (EFC) who will also receive Pell Grants in that award year. This group is known as the FSEOG first selection group. If your school has remaining FSEOG funds after making awards to all Pell Grant recipients for that award year, you must next select students with the lowest EFCs who are not receiving Pell Grants. This group of students is known as the FSEOG second selection group.

A student who will also receive a Pell Grant in that award year is a student who has demonstrated Pell Grant eligibility for the same award year based upon an EFC that you have calculated for the student, or the EFC on the student's SAR or ISIR.

You must keep documentation of the eligible EFC that was calculated for the student, and you must confirm Pell Grant eligibility prior to disbursement of the FSEOG. If the FSEOG recipient does not actually receive a Pell Grant during the award year, but the documentation shows that the FSEOG award and disbursement was made in good faith, you are not required to recover the FSEOG funds. If the student loses Pell Grant eligibility prior to disbursement of the FSEOG, you must cancel the FSEOG award.

Crossover payment period

Certain flexibilities exist when determining whether a student is considered to be in the FSEOG first selection group during a crossover paymeny period, that is, a period that begins before July 1 of any award year and ends after July 1 of that same award year. If a student will also receive a Pell Grant during a payment period that occurs in two award years and the student is among those students with the lowest EFCs, the student satisfies the FSEOG first selection group requirements for the same crossover period regardless of which award year the Pell Grant funds are attributed.

In order to be considered part of the FSEOG first selection group, a student does not necessarily have to receive a Pell Grant in the same crossover payment period. A student can also be awarded FSEOG funds under the FSEOG first selection group requirements during a crossover payment period, from either award year's allocation, as long as the student will also receive a Pell Grant in the award year to which the crossover payment period is attributed for Pell Grant purposes.

FSEOG cites

Selection Procedures 34 CFR 676.10
Frequency of disbursements 34 CFR 676.16(a)and (e)
Minimum and maximum awards 34 CFR 676.20

Award year & payment period

"Award year" is defined as "the period of time from July 1 of one year through June 30 of the following year."
Institutional Eligibility regulations, 34 CFR 600.2
As discussed in Chapter 1 of this volume, the payment period for a program that uses standard academic terms is a semester, trimester, or quarter. See Chapter 1 for a description of payment periods in programs not using terms or not using standard terms.
Payment period defined: 34 CFR 668.4

Selecting FSEOG Prohibitions

A school would not be in compliance with the Higher Education Act, as amended, and with the FSEOG regulations were it to award FSEOGs on a first-come, first- served basis or were it to arbitrarily set expected EFC benchmarks (cutoffs) from below which it would select FSEOG recipients. Such a practice might exclude otherwise eligible students from the selection process. Furthermore, professional judgment is not an appropriate means of attempting to resolve the indicated circumstance; professional judgment is applicable only to making an adjustment or adjustments to an expected EFC or to a cost of attendance amount, not as a means to circumvent the FSEOG selection policy.

Crossover payment period example

Brian and Brad are enrolled at Scruples Business School in a payment period that begins in June 2005 and ends in August 2005, and both are among those students with the lowest EFCs who will also receive Pell Grants **in that payment period**. Brian is receiving a 2004-2005 Pell Grant disbursement for that payment period and Brad is receiving a 2005-2006 Pell Grant disbursement for that payment period—both students have met the FSEOG first selection group requirement for that crossover payment period.

Making FSEOGs available throughout the year

Your school's written selection procedures must ensure that FSEOG recipients are selected on the basis of the lowest EFC and Pell Grant priority requirements over the entire award year. If your school enrolls students as often as monthly or weekly, FSEOG funds can be reserved for use throughout that award year (on the basis of your school's experiences from previous periods), and selection practices can be applied in a manner that would assure a reasonable consistency over the entire award year.

Establishing categories of students

Your selection procedures may specify categories of students to ensure that the students in each category have an opportunity to be awarded FSEOG funds. Categories may be based on class standing, enrollment status, program, date of application, or a combination of factors. You may choose to assign a percentage or dollar amount of FSEOG funds to each category; there is no requirement to make the percentage or dollar amount proportional to the need of students in a particular category or even to the number of students in the category.

However, categorization may not be used to exclude certain students or groups of students from consideration. If you know that your school's funds are so limited as to effectively exclude year after year categories that come later in the sequence, your school may not be in compliance with the "reasonably available" provision. This principle would not apply to a category made up of students whose applications are received after a specific deadline; there is no requirement to reserve funds for late applicants although the school is not precluded from doing so.

When you use categories to package FSEOG, within each category you must first award the assigned FSEOG funds to students with the lowest EFCs who will also receive a Pell Grant. If FSEOG funds assigned for that category still remain, you must next award FSEOG funds to students in the category with the lowest EFCs who will not receive a Pell Grant.

Categories of students for FSEOG selection
This guidance is based on Dear Colleague Letter CB-91-8.

Frequency & amount of FSEOG disbursements

If you're awarding an FSEOG for a full academic year, you must pay a portion of the grant during each payment period, *even if the student's program doesn't use standard academic terms.* (See Chapter 1 for an explanation of payment periods.)

To determine the amount of each disbursement, you would usually divide the total FSEOG award by the number of payment periods the student will attend. However, you are allowed to pay an FSEOG in unequal amounts if the student has costs or resources that are different for different payment periods. There's another exception—if the total amount awarded a student under the FSEOG Program is less than $501 for an academic year, only one payment is necessary.

You may make payments *within* a payment period in whatever installments will best meet the student's needs.

AWARDING PERKINS LOANS

The maximum amount an undergraduate student may borrow is $4,000 per award year; the maximum for a graduate or professional student is $6,000 per award year.

Like Stafford Loans, Perkins also have aggregate loan limits:

- $8,000 for any student who has not completed two academic years of undergraduate work.
- $20,000 for an undergraduate student who has completed two academic years and is pursuing a bachelor's degree.
- $40,000 for a graduate or professional student, including loans borrowed as an undergraduate student.

The aggregate loan limits now include only unpaid principal. (Previously, a student who had borrowed the maximum cumulative amount for a graduate or professional student would not be eligible for another loan even if the student had repaid part or all of the amount he or she had borrowed.)

The annual maximums and aggregate maximums include any amounts borrowed previously under the Federal Perkins Loan Program, including National Direct / Defense Student Loans.

Perkins selection criteria

When awarding Perkins Loans, you must give priority to those students with exceptional financial need, as defined by your school. Your school's Perkins selection procedures must be in writing, uniformly applied, and kept on file at the school. See Volume 2 for record retention and consumer information requirements.

Before you may award a student a Perkins Loan, you must determine the student's Pell Grant eligibility. You may use an unofficial calculation to determine Pell Grant eligibility before a student has filed a *Free Application for Federal Student Aid* (FAFSA). However, your school may not disburse the Perkins Loan until you have received the student's official EFC for that award year (on the student's SAR or ISIR).

Increased loan eligibility to cover higher costs of study abroad

If the reasonable costs of the foreign study program exceed the cost of attending the home school, the awarded Perkins Loan may exceed the annual and / or aggregate loan limits by up to 20%. A school may disburse a Perkins Loan to a student engaged in a program of study abroad if the student meets all eligibility requirements and is enrolled in an eligible program at the school that will accept credits earned abroad.

Perkins citations

Selection procedures: 34 CFR 674.10
Exceptional need: 34 CFR 674.10(a)(1)
Must have estimate of Pell eligibility: 34 CFR 674.9(d)
Selection of independent & part-time students: 34 CFR 674.10(b)
Equal credit opportunity: 34 CFR 674.20

Example: Perkins selection procedures

When packaging aid, Barton University first awards Perkins Loans to third-year students whose financial need is at least $500 after their EFCs, Pell Grants, and any scholarships received have been subtracted from the cost of attendance. Next, the University awards Perkins Loans to second-year students whose financial need is at least $750. The school continues to award Perkins Loans to such pre-defined groups until the Fund is exhausted or all exceptional financial need is met.

Grad/undergrad status in teacher certification program

A student enrolled in a teacher certification program may be considered either an undergraduate or a graduate student. If a teacher-certification student has already borrowed the maximum aggregate allowed for an undergraduate, but your school considers him/her to be a graduate student, the student is eligible to receive an additional Perkins Loan or NDSL. At the point the school classifies and treats this student as a graduate student, he/she would only be eligible for graduate level Title IV aid.

Perkins overawards prior to 1999 regulatory revision

Because previous aggregate loan maximums were not tied to the completion of two academic years of undergraduate work, some schools may have inadvertently created an overaward by awarding more than $8,000 to borrowers who had not completed two undergraduate years. Schools are not required to resolve such overawards if they were made prior to the publication of the revised statutory maximums. (The revised statutory maximum were first published in the Federal Register on July 29, 1999.)

Equal Credit Opportunity Act (ECOA) rules

A school making Perkins loans is subject to the requirements of the ECOA. With only limited exceptions, the ECOA prohibits a lender from considering the applicant's age, race, color, religion, national origin, sex, marital status, or receipt of public assistance when evaluating loan applications. Lenders are not permitted to consider whether the applicant has a telephone, whether the applicant's sources of income are from retirement benefits or part-time employment, or whether the applicant might bear or rear children.

In the case of a "special purpose credit program" that uses financial need as a criteria for the loan, a lender may collect certain borrower information . The Perkins program is considered a special purpose credit program, therefore you "may request and consider, in determining an applicant's eligibility for the program, information regarding the applicant's marital status; alimony, child support, and separate maintenance income; and the spouse's financial resources." This information is collected on the FAFSA.

ECOA regulations: 12 CFR 202

AWARDING WORK-STUDY

Unlike the other two campus-based programs, the FWS Program does not require that priority be given to students who have *exceptional* financial need. However, you must make FWS jobs reasonably available, to the extent of available funds, to all eligible students. Your selection procedures must be in writing, uniformly applied, and kept in your school's files.

There are no specific award limits for FWS earnings, other than the requirement that the amount of the FWS award not exceed the student's financial need. For a full discussion of packaging FWS with other aid, see Chapter 6 in this volume.

When deciding on an appropriate FWS award for a student, you should consider the student's academic workload and any other factors that might affect the hours that a student could work each week.

Basing FWS awards on net work earnings

The *gross* amount of the award is based on the total number of hours to be worked multiplied by the anticipated wage rate. For awarding and packaging purposes, you should use the student's *net* FWS earnings, which exclude taxes and job-related expenses. To determine the student's *net* FWS earnings, you should subtract any job-related costs and non-refundable taxes from the student's *gross* FWS earnings. If you are certain that the student's federal or state taxes paid will be refunded, you should not subtract those taxes paid from the student's gross earnings.

Job-related costs are costs the student incurs because of his or her job. Examples of job-related costs include uniforms, the cost of meals at work, and transportation to and from work. For work during vacation periods, job-related costs can include room and board as long as the FWS student incurs these costs only because of the FWS employment. For example, room and board during the summer *cannot* be included in job-related costs if the FWS student also takes summer courses.

Calculating Maximum Gross Earnings Example

Chris has unmet financial need of $1,000 at Peterson University. Because Chris has a Social Security tax of 7.65% (that will not be refunded) and $108 in job-related costs, the school may allow Chris to earn an FWS award amount that is higher than his $1,000 unmet financial need in order for him to earn the allowable $1,000 net FWS earnings.

To calculate the FWS award amount to reflect the maximum gross FWS earnings that Chris may earn without the net FWS earnings exceeding the student's $1,000 financial need, the school must do the following:

1. Add the amount of job-related costs to the amount of his unmet need ($108 + $1,000 = $1,108) for a total of $1,108.

2. Account for the Social Security tax by determining that his net FWS earnings are 92.35% of his gross earnings (100% - 7.65% = 92.35%) or (.9235).

3. Divide the total in step 1 by the ratio in step 2 ($1,108/.9235 = $1,199.78) for a result of $1,199.78 ($1200 after rounding).

Peterson University may give Chris a $1,200 FWS award and his net FWS earnings will not exceed his $1,000 unmet financial need.

Earnings for the next period of enrollment

Many FWS students must pay the bulk of their education costs in the beginning of each period of enrollment, before they have had a chance to earn FWS wages. Therefore, you may allow a student to earn FWS wages to cover educational expenses in the next period of enrollment that your school offers. The student must be planning to enroll in that next period of enrollment and must demonstrate financial need for that period of enrollment. The next period of enrollment is usually the next term, including a summer period, or in the case of summer earnings, the next full academic year.

A student may earn FWS funds for the next period of enrollment during any period of enrollment, including a period of enrollment that is comprised, in whole or in part, of mini-sessions. A student may also earn FWS wages towards the next period of enrollment during a period of nonattendance, as discussed below.

Working during periods of nonattendance

A student may be employed under FWS during a period of nonattendance, such as a summer term, an equivalent vacation period, the full-time work period of a cooperative education program, or an unattended fall or spring semester. To be eligible for this employment, a student must be planning to enroll for the next period of enrollment and must have demonstrated financial need for that period of enrollment. The student's net earnings (earnings minus taxes and job-related costs) during this period of nonattendance must be used to cover expenses associated with his or her financial need for the next period of enrollment.

When a student who had an FWS job in a period of non-attendance fails to enroll in the next academic period, you must be able to demonstrate that the student was eligible for employment and that, at the time the FWS was awarded, you had reason to believe the student intended to enroll in the next period. At a minimum, you must keep a written record in your files showing that the student had accepted the school's offer of admittance for the next period of enrollment.

FWS and mini-sessions

If your school combines a series of mini-sessions or modules into one term (e.g., three summer mini-sessions into one summer semester), an FWS student attending any of the mini-sessions may earn FWS wages at any time throughout that term. You may apply those earnings towards the student's financial need for the mini-session(s) attended and/or the next period of enrollment. You must base the student's financial need for attending the summer term on the period when the student is actually enrolled in the mini-sessions.

The amount of FWS wages a student may earn at any given point in the term does not depend on whether or not the student is enrolled in a mini-session at that point in time. You have some flexibility in deciding with the student how to distribute the hours worked throughout the summer term. (See the example in the sidebar.)

Taxes and job-related costs cite
34 CFR 675.25(a)

Work during nonattendance
For further information about working during vacation periods or periods of nonattendance, see the discussion of enrollment requirements in Volume 1.

FWS for period preceding study abroad
A student in an eligible program of study abroad may be employed during a period of nonattendance preceding the study abroad if he or she will be continuously enrolled in his or her American school while abroad and if the student's study is part of the American school's own program. In such a case, a student may be employed in a qualified position in the United States, at the American school's branch campus in a foreign country, or at a U.S. government facility abroad.

Mini-session example
Cohogs University has a summer term made up of three mini-sessions. Ted enrolls in classes for the June and August mini-sessions, but does not enroll in any classes for the July mini-session. Ted has a financial need of $500 for his attendance in two of the summer mini-sessions. Ted also plans to enroll in the following fall semester and has a remaining need of $250 for that semester. Ted is given a $750 FWS award in the summer ($500 for the two summer mini-sessions and $250 for the fall semester). Ted knows his June mini-session courses will be very demanding and he will not have time to work. So, Ted earns $500 during the July mini-session when he has no classes. Ted has classes again in August, but his academic workload is lighter. In August, Ted earns $250 towards his education costs in the upcoming fall semester.

Packaging Aid

CHAPTER 6

Once you've received the student's FAFSA information (including EFC) and calculated the student's Pell eligibility, you can package the student's aid. The general rule in packaging is that the student's total financial aid and other resources must not exceed the student's financial need (cost - the EFC). If you discover that the student has other resources that cause the aid package to exceed the student's need, you must attempt to adjust the aid package to eliminate the overaward. If the overaward can't be eliminated, you must follow the overaward procedures in Volume 5.

In Chapters 3-5, we discussed how to calculate student awards, based on costs, period of enrollment, and statutory award maximums. Except for Pell Grants, FSA award amounts are also constrained by the other aid that a student receives, known as *resources* under the Campus-Based Programs or as *estimated financial assistance* for Stafford / PLUS loans. The general rule is that the student's total aid may not exceed the student's financial need. (Need = Cost of Attendance minus EFC)

The process of awarding aid without exceeding the student's financial need is traditionally called packaging. Packaging is a process that varies from school to school, depending on the types of scholarship and other aid available at the school, and the characteristics of the student population. Schools may have different packaging philosophies, but they generally try to find the best combination of aid to meet the financial need of the students they serve.

To help you package Federal student aid with your other aid awards, we provide a Packaging module in EDExpress. You can enter information about your school's student aid programs and set up factors to be considered in packaging, and then use the software to automate the packaging process.

Most schools use some form of packaging software, whether EDExpress or software from a commercial vendor. You are not required to use EDExpress to package FSA awards, and you do not have to report the student's aid package to the Common Origination and Disbursement system.

CHAPTER 6 HIGHLIGHTS:

Related software: EDExpress Packaging Module
- Available at fsadownload.ed.gov

Packaging Principles
- Pell Grants packaged first; not reduced for other aid
- Campus-based packaged based on Pell eligibility, EFC, and resources
- Subsidized Stafford Loans based on Pell eligibility, EFC, and estimated financial assistance
- Unsubsidized Stafford Loans and PLUS based on Pell eligibility and estimated financial assistance

Treatment of need-based earnings

Treatment of other aid: special cases
- Americorps and veterans educational benefits
- Vocational rehabilitation assistance
- Bureau of Indian Affairs grants

Treatment of overawards
- See Volume 5

PELL GRANTS AS FIRST SOURCE OF AID

Pell Grants are considered to be the first source of aid to the student, and packaging FSA funds begins with Pell eligibility. The Department issues Pell payment schedules that base the award solely on the student's cost of attendance, EFC, and enrollment status. As we'll see, aid from the other FSA programs must be awarded to ensure that the student's need is not exceeded, unless certain types of aid are used to replace the EFC, as permitted.

Traditional financial aid practice suggests that you would also adjust non-federal aid awards, if necessary, to ensure that the student's financial need is not exceeded. But it's possible that the student will receive a scholarship or other aid that you can't adjust and is large enough (in combination with the Pell Grant) to exceed the student's need. In this case, the student is still eligible for a Pell Grant based on the payment schedule. However, you can't award any FSA funds other than the Pell Grant.

For instance, the National Collegiate Athletic Association's rules for athletic aid sometimes permit a school to award athletic aid that exceeds the student's need. You must still pay the full Pell Grant to the student, but you may not pay other FSA funds to the student, because his/her financial need has already been met.

PACKAGING RULES FOR CAMPUS-BASED AID AND STAFFORD/PLUS LOANS

In contrast to Pell, you must take other aid into account when awarding campus-based aid or Stafford or PLUS loans. As noted earlier, the other aid that must be considered is called "resources" in the campus-based program regulations, and "estimated financial assistance" in the FFEL and Direct Loan regulations.

In general, the term *resources* refers to aid from the FSA programs, as well as grants, scholarships, loans, and need-based employment that you can reasonably anticipate at the time you

Financial need

Cost of attendance
- EFC

Financial Need

Packaging considerations & software

You should consider a number of things when developing a packaging policy. For instance, some schools give more grant assistance to beginning students, who may have more difficulty adjusting to campus life, increasing the proportion of loans and work-study in subsequent years.

For the Campus-Based programs and other programs where the available funds may not be sufficient to meet every eligible student's need, some schools decide to give a higher proportion of aid to the neediest students. Other schools award funds as an equal proportion of each student's need.

Many schools use software, such as the Packaging module in EDExpress, that can be configured to implement the school's packaging philosophy. For instance, in EDExpress, you can specify the order in which aid sources are to be applied to the student's unmet need, and set overall percentage limits on the amount of gift (grants/scholarships) and self-help aid that will be included in the aid package.

Pell can't be used to pay loan

If the student's aid package includes a loan and the package must be adjusted to prevent an overaward, the Pell funds can't be used to pay back the loan—a loan repayment isn't an educational expense.

Examples of resources

Resources, as defined by the campus-based regulations, include but are not limited to:
- the student's Pell Grant eligibility;
- unsubsidized and subsidized Stafford and PLUS (Federal Family Education Loans and Direct Loans);
- long-term loans made by the school, including Federal Perkins Loans (short-term emergency loans are not considered to be a resource);
- grants, including Federal Supplemental Educational Opportunity Grants (FSEOGs), state grants, and Reserve Officer Training Corps (ROTC) living allowances;
- scholarships, including athletic scholarships and ROTC scholarships, and scholarships that require future employment but are given in the current year;
- waivers of tuition and fees;
- fellowships or assistantships;
- veterans educational benefits (paid under Chapters 30, 31, 32, and 35 of Title 38 of the U.S. Code);
- income from insurance programs that pay for the student's education;
- net income from need-based employment; and
- AmeriCorps funds (national service education awards or post-service benefits under Title I of the National and Community Service Act of 1990).

FROM: 34 CFR 673.5

award aid to the student, whether the assistance is awarded by the school or by an individual or organization outside the school.

The term *estimated financial assistance* is used in the Stafford and PLUS program. Estimated financial assistance is essentially the same as *resources,* with some exceptions in the treatment of Americorps and veterans benefits (discussed later in this chapter).

The regulations specify that "estimated financial assistance" is aid that the student will receive for the same period of enrollment as the Stafford or PLUS loan. As noted in Chapter 1, it's usually best to certify a Stafford or PLUS loan for a period that matches the academic year or other period that you're using to award funds from other FSA programs.

Considering grants and subsidized loans first

The law requires aid administrators to find out whether the student is eligible for certain other FSA programs that would reduce the need for borrowing.

If your school participates in the Federal Pell Grant Program, you must include the student's estimated Pell Grant eligibility as a resource when making Campus-Based awards, whether or not the student has received the Pell Grant at the time you make your Campus-Based award.

Similarly, you must determine an undergraduate student's Pell Grant eligibility before certifying a subsidized or unsubsidized Stafford Loan for that student. In addition, you may not certify an unsubsidized Stafford Loan without first determining the student's need for a subsidized Stafford Loan. (The difference between subsidized and unsubsidized Stafford Loans is explained in *Chapter 4* of this Volume.) However, if the amount of the subsidized Stafford is $200 or less and the amount can be included as part of an unsubsidized Stafford Loan, you are not required to certify a separate subsidized loan.

You may certify a PLUS and disburse PLUS funds without determining the student's Pell Grant and subsidized Stafford Loan eligibility.

Substituting unsubsidized loans for the EFC

An institution may substitute certain types of loans for the student's expected family contribution (EFC). Generally, loans that may replace the student's EFC include unsubsidized Stafford loans, PLUS loans, state loans, and private education loans (including school loans). If these loans are used to substitute for EFC, loan amounts that exceed the EFC are counted as a resource or estimated financial assistance.

Use net FWS earnings when packaging

To determine the net amount of a student's FWS earnings that will be available to help pay for the student's costs, you must subtract estimated taxes and job-related costs from the student's gross FWS earnings (see *Chapter 5 - Campus-Based Awards*).

Campus-based overaward thresholds

Campus-based aid need not be reduced if the overaward doesn't exceed $300, which is the overaward threshold for all Campus-based programs. Note that the $300 threshold is allowed only if an overaward occurs after Campus-based aid has been packaged. The threshold does not allow a school to deliberately award Campus-based aid that, in combination with other resources, exceeds the student's financial need.
(see *Volume 5 - Overawards, Overpayments, & Withdrawal Calculations*).

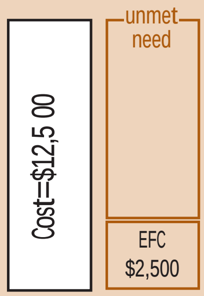
Some key points from Chapter 4 (Calculating Stafford/PLUS Awards)

- Before you certify or originate a Stafford Loan, you must determine the student's eligibility for a Pell Grant.
- You may certify or originate a subsidized Stafford Loan only for the amount of student's financial need—the student's costs minus the student's EFC and estimated financial assistance.
- A student may qualify for a combination of subsidized and unsubsidized Stafford loans.
- If they meet program requirements, the parents of a dependent student can take out a PLUS loan to pay for the student's cost of attendance. There is no fixed loan limit for PLUS loans—the maximum loan amount is based on the student's financial need.
- If the student is independent, or his/her parents can't borrow a PLUS, the student is eligible for additional unsubsidized Stafford amounts.
- Unsubsidized Stafford loans and PLUS loans are considered to be "self-help" aid, and thus can be used to replace the EFC, as well as to cover the student's unmet need.

Estimated Financial Assistance

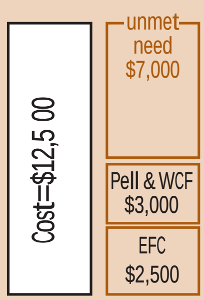
HEA: Sec. 428(a)(2)(C)
FFEL: 34 CFR 682.200
DL: 34 CFR 685.102

Basic packaging example



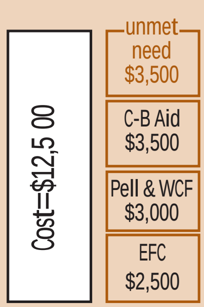
$12,500	**Cost**
- 2,500	**EFC**
$10,000	**Need**

Andrew is a dependent student, returning as a sophomore to Lebold College, where he's studying forestry. For academic purposes, Lebold College considers him to be a 2nd-year student. His cost of attendance is $12,500,* and his EFC for the current year is 2500; therefore, the packaging process begins with $10,000 in unmet need.



$12,500	**Cost**
- 2,500	**EFC**
- 1,600	**Pell Grant**
- 1,400	**Scholarship**
$ 7,000	**C-B Need**

The aid administrator at Lebold College begins by awarding Campus Based aid. Andrew's resources are a $1,600 Pell and a $1,400 outside scholarship from the Wildwood Conservation Fund, so he has sufficient need for the maximum awards that the aid administrator can make under Lebold's policy for Campus-Based funds: $800 FSEOG, a $900 Perkins Loan, and $1,800 in FWS employment.



$12,500	**Cost**
- 2,500	**EFC**
- 1,600	**Pell Grant**
- 1,400	**Scholarship**
- 800	**FSEOG**
- 900	**Perkins**
- 1,800	**FWS**
$ 3,500	**Stafford Need**

The aid administrator at Lebold College finishes the packaging process by awarding any other loan funds that are available to meet Andrew's need. As a 2nd-year student, Andrew's Stafford loan limit is $3,500. Because his remaining need is $3,500, he can receive that amount as a subsidized Stafford Loan. Since he is a dependent student, his parents can borrow up to the amount of the EFC in the form of a PLUS loan.

* Note that you can add the loan fees on a Stafford or PLUS loan to the student's cost of attendance.

Substituting for the EFC: Dependent example

Darien is a first-year dependent student at Bald Eagle Community College. His cost of attendance is $5,800* and his ISIR shows that he has an EFC of 4,200, so his financial need is $1,600. Darien's EFC makes him ineligible for a Pell Grant, and BECC does not participate in the Campus-Based programs.

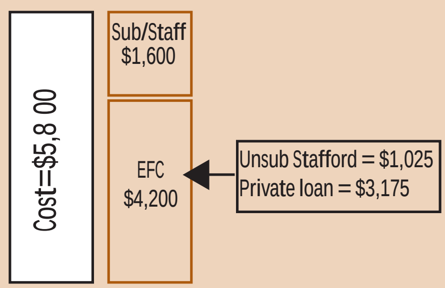
$	5,800	Cost
-	4,200	EFC
$	1,600	Need

The Stafford annual loan limit for a dependent student is $2,625. Darien qualifies for a $1,600 subsidized Stafford loan, and has no remaining need.

Since an unsubsidized Stafford Loan can replace the EFC and Darien hasn't reached the Stafford annual loan limit, he can borrow an additional $1,025 in the form of an unsubsidized Stafford Loan.
($2,625 Stafford annual loan limit - $1,600 subsidized Stafford Loan)
In addition, his parents could borrow up to $3,175 in the form of a PLUS loan.
(4,200 EFC - 1,025 unsubsidized Stafford Loan = $3,175).

	$	5,800	Cost
	-	1,600	Sub Stafford
Replaces EFC	-	1,025	Unsub Stafford
Replaces EFC	-	3,175	PLUS
	$	0	Need

Alternate scenario: if Darien's parents were to take out an unsubsidized private loan for $3,175, their eligibility for a PLUS loan would be reduced by that amount, because the EFC would already have been met by the private loan. **Another option would be for the parents to take a PLUS loan for the full amount of $4,200.**



Substituting for the EFC: Independent example

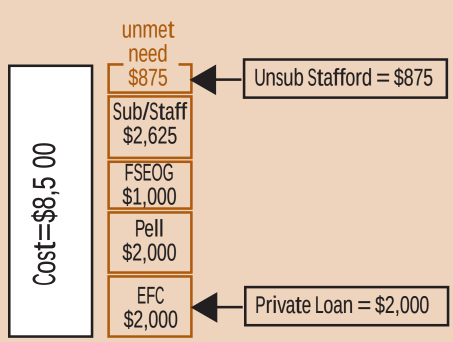
Holly Beth enrolls in an Italian Studies program at Vincent Technical College as a 1st-year independent student with an $8,500* cost of attendance and VTC has received an ISIR for her with an EFC of 2,000. She is eligible for a $2,000 Pell Grant and VTC also awards her a $1,000 FSEOG. Her remaining need is $3,500, so she can receive the maximum subsidized Stafford Loan for a 1st-year student ($2,625). Her unmet need after these awards is $875.

$	8,500	Cost
-	2,000	EFC
$	6,500	Need

Since Holly Beth is an independent student, she can take out additional unsubsidized Stafford loan to meet her remaining need, and as "self-help" to meet the EFC. Thus, VTC is able to award Holly Beth an additional $2,875 in unsubsidized Stafford Loan funds. (Her EFC of 2,000 plus + remaining need of $875.)

	$	8,500	Cost
	-	2,000	Pell Grant
	-	1,000	FSEOG
	-	2,625	Sub Stafford
Unmet Need + EFC	-	2,875	Unsub Stafford
	$	0	Need

Alternate scenario: if Holly Beth were to take out an unsubsidized private loan for $2,000, her eligibility for the unsubsidized Stafford loan would be reduced by that amount, because the EFC would already have been met by the private loan.



* Note that you can add the loan fees on a Stafford or PLUS loan to the student's cost of attendance.

Many schools prefer to package Campus-Based funds and subsidized Stafford loans before unsubsidized loans, in which case the treatment of unsubsidized loans only becomes a factor when awarding unsubsidized Stafford and PLUS loans. When awarding Stafford/PLUS loans, unsubsidized loan amounts are only counted in *estimated financial assistance* if they exceed the EFC.

COUNTING NEED-BASED EARNINGS AS RESOURCE & ESTIMATED FINANCIAL ASSISTANCE

The treatment of earnings from a job sometimes presents a problem—should the earnings be reported as income in need analysis or should they be counted as a form of student aid in the packaging process?

Net earnings from *need-based employment* are considered to be student aid. “Need-based employment” means employment that is awarded by the school itself or by another organization to a student on the basis of financial need to meet educational expenses for the award year. Only income from *need-based* employment may be considered as student aid.

A Federal Work-Study job is clearly a form of need-based student aid. However, employment with a state is considered to be student aid if that employment is based on the student’s financial need for assistance to pay for educational expenses.

Non-need-based earnings are not to be considered as a resource for the current award year because they will be reported as income on the Free Application for Federal Student Aid (FAFSA) for the subsequent award year and will be used in calculating the future EFC. An example of non-need-based employment would be a job a student locates on her own with a private employer such as a local grocery store.

PACKAGING AMERICORPS, VETERANS BENEFITS, VOCATIONAL REHABILITATION FUNDS, & BIA GRANTS

Americorps and veterans benefits

For FSA purposes, veterans education benefits are treated as resources, not as income, and therefore are not reported as income on the FAFSA. Americorps benefits are also considered resources, but you may exclude as a resource a portion of any subsidized direct or FFEL loan that is equal to or less than the amount of the student's Chapter 30 Montgomery GI Bill benefits and / or Americorps benefits paid for the cost of attendance.

Note that the income earned from the Veterans Affairs Student Work-Study Allowance Program (VASWSAP) is not treated as a veterans education benefit, so it is *not* considered a resource. It should be reported as untaxed income (not income earned from work) on the FAFSA.

Americorps benefits and Chapter 30 Montgomery GI Bill benefits are *not* included in estimated financial assistance when determining eligibility for *subsidized* Stafford loans, but they *are* included for *unsubsidized* Stafford loans.

Noneducational veterans benefits are not counted as a resource or estimated financial assistance. Noneducational veterans benefits include Death Pension and Dependency and Indemnity Compensation (DIC) benefits, and income from the Veterans Affairs Student Work-Study Allowance Program (VASWSAP). The student must report these noneducational benefits as nontaxable income on the FAFSA.

Americorps and veterans benefits

The definition of "estimated financial assistance" in the FFEL and DL regulations includes veterans *active duty benefits* (veterans' educational benefits paid under Chapter 30, 31, 32, and 35 of Title 38) and *national service education awards* or *post-service benefits* under title I of the National and Community Service Act of 1990 (AmeriCorps). An exception to the above is that Chapter 30 is not considered EFA when determining subsidized eligibility.
FFEL: 34 CFR 682.200
DL: 34 CFR 685.102

The option to exclude a portion of a subsidized Stafford loan from resources, not to exceed the amount of Americorps or Chapter 30 veterans benefits, is described in the General Provisions for the Campus-Based programs.
34 CFR 673.5(c)(4)

Packaging example: GI Bill exclusion

2,000 Pell Grant
9,600 GI Bill
2,625 Stafford
250 FWS
250 FSEOG
14,725 Total aid

Penny is a first-year, independent undergraduate student with an EFC of 1800, a Pell Grant of $2,000, and Montgomery GI Bill active-duty benefits of $9,600. She enrolls in a four-year program at Frisson College, where her need is $13,100 ($14,900 COA - 1800 EFC). Her Pell grant and GI Bill benefits total $11,600. The difference between her need and aid is $1,500 ($13,100 -11,600).

Because the Montgomery GI Bill benefits do not count as estimated financial assistance for subsidized loans, Penny is eligible for a subsidized Stafford loan of more than $1,500. Her COA minus her EFC and Pell Grant would leave an unmet need of $11,100 ($14,900 - 1800 - 2,000). If Penny chooses, she can receive the maximum subsidized loan amount of $2,625 for a first-year student because it's less than her unmet need.

Her assistance now totals $14,225 ($2,000 + 9,600 + 2,625), which exceeds her need. However, under the statute and regulations this is not considered an overaward or an overpayment. Penny is eligible for campus-based aid if the school chooses to exclude her subsidized loan as a resource. (It can exclude up to the value of the subsidized loan, but not more than amount of the GI Bill active-duty benefits.) Penny's need is 13,100, and her total resources, minus the loan, would be $11,600, which is $500 less than her need. So the school may provide campus-based aid up to $500—for example, $250 in FWS funds and $250 in FSEOG funds. Penny's assistance totals $14,725, which exceeds her need as well as her COA.

Again, this is not considered an overaward or an overpayment.

Vocational rehabilitation agreements with state agencies

Some state vocational rehabilitation agencies have established agreements with schools that specify how vocational rehabilitation assistance will be coordinated with other forms of financial aid. Check with your school's vocational rehabilitation coordinator to see if it has such an agreement.

BIA Grants

34 CFR 673.6

Packaging Byrd Scholarships with other FSA funds

Under Byrd regulations that took effect in September 1993, the State Education Agency awarding the Byrd Scholarship must ensure that the total amount of federal financial aid awarded to the Byrd Scholar does not exceed the scholar's total cost of attendance. If any federal loans are part of the scholar's financial aid package, they must be reduced prior to reducing the Byrd Scholarship. If the scholar is receiving a Pell Grant, though, the Byrd Scholarship must be reduced prior to reducing the Pell Grant. Section 419 J of the Higher Education Act, as amended, states that a Federal Pell Grant must not be reduced on the basis of the receipt of a Byrd Scholarship.

Vocational rehabilitation funds

If you have a student who qualifies for both FSA funds and for vocational rehabilitation assistance funds, you should determine the student's package exclusive of both the costs related to the student's disability and anticipated vocational rehabilitation assistance. In this way, the student with disabilities will be offered the same aid package as a student who is in the same financial situation but who doesn't have disabilities; the student with disabilities will also receive the maximum amount of vocational rehabilitation aid to which he or she is entitled. If the vocational rehabilitation agency doesn't fully meet the student's disability costs, you may wish to include the unmet disability expenses in the student's cost of attendance, and increase his or her aid award.

Although the vocational rehabilitation funds shouldn't be considered a resource when you package aid for the student, you must coordinate funds available from the vocational rehabilitation agency and from institutional, state, and federal student financial assistance programs to prevent an overaward. The amount of assistance from the vocational rehabilitation agency must be documented in the student's file.

Coordination with Bureau of Indian Affairs grants

When packaging campus-based aid for a student who is or may be eligible for a Bureau of Indian Affairs (BIA) grant, you must first develop a financial aid package without considering any BIA funds. If the total aid package—after BIA funds are added—does not exceed the student's need, no adjustment may be made to the aid package. If the total package plus the BIA grant does exceed need, you must eliminate the excess in the following sequence: loans, work-study awards, and grants other than Pell Grants. (You may *not* reduce a Pell Grant or BIA grant.) You may alter this sequence of reductions upon the student's request if you believe it would benefit the student. We encourage you to consult with area officials in charge of BIA postsecondary financial aid when packaging FSA funds with BIA grants.

TREATMENT OF OVERAWARDS

If, **at any time during the award period**, the student receives additional resources that were not considered in calculating the student's eligibility for Campus-Based aid and if these resources combined with the expected financial aid will exceed the student's need, the amount in excess of the student's need is considered an overaward. The treatment of overawards in the Stafford / PLUS programs depends on whether the loans have been fully disbursed. See *Volume 5* of the *FSA Handbook* for a full discussion of this topic.